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# Sinatra, the Century's Great Voice America's Blue-Eyed Crooner and Actor Is Dead at 82

By Stephen Holden

NEW YORK - Frank Sinatra, the self-described saloon singer and actor who became one of the most popular American entertainers of the 20th century, died Thursday night in Los Angeles. He was 82 years old.

The cause was a heart attack, said his publicist, Susan Reynolds. Widely held to be the greatest singer

in American pop history, Mr. Sinatra was also the first modern pop superstar. He defined that role in the early 1940s when his first solo appearances provoked the kind of mass pandemonium that later greeted Elvis Presley and the Beatles.

During a show business career that spanned more than 50 years and com-prised recordings, film and television as well as countless performances in nightclubs, concert halls and sports arenas, Mr. Sinatra stood as a singular mirror of the American psyche,

His evolution from the idealistic crooner of the early 1940s to the sophisticated swinger of the '50s and '60s seemed to personify the country's loss of innocence. In a series of brilliant



Mr. Sinatra singing at Radio City Music Hall in New York in 1992.

with which millions identified. The haunted voice heard on a jukebox in the wee small hours of the morning lamenting the end of a love affair was the same voice that jubilantly invited the world to

Mr. Sinatra appeared in more than 50 films, and won an Academy Award as best supporting actor for his portrayal of the feisty misfit soldier Maggio in "From Here to Eternity" (1953). It was as a singer that he exerted the strongest cultural influence. The

skinny blue-eyed crooner, quickly nicknamed the Voice, made hordes of bobby-soxers swoon in the 1940s with an extraordinarily smooth and flexible baritone that he wielded with matchless skill.

After the voice lost its velvety youthfulness, Mr. Sinatra's interpretations grew more personal and idio-syncratic. The changes in his vocal timbre enincided with a precipitous career descent in the late 1940s and early '50s. But in 1953, Mr. Sinatra made one of the most spectacular career comebacks in show business history, re-emerging as a coarser-voiced, jazzier interpreter of popular standards who put a more aggressive personal

stamp on his songs.
On a deeper level, Mr. Sinatra's career and public image touched many aspects of American cultural life. For millions, his ascent from humble Italian-American roots in Hoboken, New

#### conceptual alhums, be codified a mu-"come fly with me" to exotic realms in sical vocahulary of adult relacionships a never-ending party. See SINATRA, Page 6

#### Clinton Seeks Condemnation of India and a Plea for Pakistani Restraint

A Summit Bid to Head Off Nuclear Race

By Alan Friedman International Herald Tribune

BIRMINGHAM, England - President Bill Clinton called for the summit meeting of leading industrialized nations that began here Friday to issue a "strong and unambiguous" condem-intion of India's explosion of five nuclear devices and to find a way to perade Pakistan not to join the nuclear arms race by initiating its owo tests.

But Britain, which is presiding over the annual economic summit talks of what has become the Group of Eight, ruled out the idea of any coordinated economic sanctions against India, re-flecting the reluctance of Prime Min-ister Tony Blair and his counterparts from France and Russia to join in such

'I don't envisage any G-8 economic sanctions as the Americans have done," a spokesman for Mr. Blair said. "If you're looking for a kind of package put together by the U.S., then the answer is

India's nuclear tests, together with

the mounting violence and political crisis in Indonesia, overshadowed-the start of the ostensibly ecocomic meetings here, with government chiefs devoting much of their working dinner Friday night to the twin political trou-

of calling for political reform in Indonesia, although he stopped short of commenting on whether President Subarto should step down.

Prime Minister Ryutaro Hashimoto of Japan emerged Friday as Mr. Clinton's most outspoken ally on the issue of

#### India Can Produce A 'Big Bomb Now'

The Indian prime minister says India has the capability of making a "big bomb now," but that it will only use nuclear weapons for defense. • U.S. sanctions on India may be blunted by the lack of enthusiasm in Europe for this form of punishment. Page 5.

nuclear proliferation on the Asian Sub-continent. The United States and Japan have already imposed economic sanc-tions on New Delhi. "We have to stop the contagious effect of this experi-ment." Mr. Hashimolo said after meetles in Asia. ing with Mr. Clintoo ahead of the of-ficial start of the summit talks.

Aides to Mr. Hashimoto also said Friday that Tokyo would impose sancdons on Pakistan if it went ahead with nuclear tests. And before the start of the summit meeting, the United States and Japan announced agreement oo a package of measures to deregulate several important sectors of the Japanese economy and provide greater openings to foreign companies. Page 11.

President Boris Yeltsin of Russia said upon his arrival in Birmingham that he was sure the leaders would debate how to halt the spread of nuclear weapons following the Indian tests.

"Yes of course, we cannot avoid this question," he said. Although Canada is among the G-8 countries that are op-

See SUMMIT, Page 5

# Jakarta Counts Its Dead As Troops Patrol Streets

Rioting Is Scattered; Suharto Remains Silent

By Keith B. Richburg

JAKARTA - Heavily armed troops with tanks backing them up, patrolled the debris-strewn streets of this capital on Friday. And as Indonesians counted the scores of victims killed in Thursday's violent outburst rioting, they awaited the next act in their national drama now being played out in the presidential residence.

With the death toll from Thursday's riots at more than 200 and rising - and

Panicked foreigners continue rush to get out of Indonesia. Page 4.

with foreign embassies, including that of the United States, arranging charter flights to evacuate nationals from this shocked and devastated city - President Suharto remaioed closeted with his advisers, issuing no statements, making no public appearances and giv-ing no hint as to how he intended to respond to calls for his resignation now coming even from within his ruling

While many observing this cryptic shadow play remained convinced that Mr. Suharto's 32-year rule is nearing its end, few here offered specific scenarios for bow the finale might come about.

'You still don't know what he's thinking, because he hasn't said anything," a Western diplomat said. 'The people who are going to decide aren't talking about what they're going to do. It's going to remain a closed book for a

There was more rioting Friday, but it was more scattered and on a smaller scale than on Thursday.

In a move intended to mollify a public angry and frustrated over the deterioraring economic situation, the government announced that it was revoking the hefty price increases on fuel and electricity it

imposed 10 days ago.

The price bikes prompted rioting and increased the demands of university students who have been holding protests almost every day to call for Mr. Suharto's resignation and major political reforms.

The price increases were one of the cooditions demanded by the Internanonal Monetary Fund for a \$43 billion bailout of the economy. Friday's reversal put Indonesia on a new collision course with its international financial backers, imperiling the rescue package and raising questions about whether this government has the commitment and the public support necessary to carry out economic reforms. In the face of the unrest, the entire IMF team in Jakarta fled the country.

The move to rescind the price increases appeared to be a belated effort to contain the rage that exploded on the

See INDONESIA, Page 4



President Suharto, center, being greeted by officials at the airport in Jakarta on Friday after he returned home from a conference in Cairo.

# Burned Bodies of Looters Choke a Hospital's Halls Most Are Unrecognizable After Fires in Malls

By Seth Mydans New York Times Service

JAKARTA - Roy Effendi found the body of bis 21-year-old son in a hospital Friday, bis tousled bair, crooked from tooth and surprised expression making him look almost lifelike despite the bullel wound in the back of his bead.

Mr. Effendi was one of the comparadvely lucky ones: be had a body to

All around him on the dirry tile floor - in the reception area, the examining rooms, the corridors - lay charred black lumps of cinder and bone, at least 170 of them. They were the featureless remains of looters who burned to death in four shopping malls that were set aftre during rioting Thursday. The hospital was filled with the smell of charcoal and decomposition, and men and women pressed cloths to their noses as they crept among the bodies, looking for missing relatives. Hospital staff members picked over the bodies, removing any buttons, buckles, jewelry or scraps of clothing that could be used to identify them. yа

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But as of Friday afternoon, according to Dr. Agus Purwadianto, only 10 bod-

ies had been identified. More bodies were collected at other hospitals and the confirmed death toll rose to well over 200. Because many bodies remained in the rubble of the barned buildings or were carried away by relatives, bospital officials estimated

that many more had died. The deaths in the department stores were the most horrific casualties in three days of rioting, rock-throwing, arson and looting that saw much of Indonésia's capital city turned into a banle zone. Two dozen other people are known to have died in earlier fires and shootings. These included six students shot and killed on Tuesday as they demonstrated

at an elite university campus: The deaths by burning came as mobs ransacking department stores were trapped when other rioters set fire to the

One of these was a fruit seller named Muriadi, 42, who, his wife said, had hoped to gather supplies for her and their two small daughters. Mr. Muriadi's wife spoke in a barely audible whisper as she sat slumped beside a blackened torso on the floor. She said she was convinced that this was her husband because of the underwear he was wearing.

Dr. Agus smiled wearily when he heard this, remarking that underwear was a poor method of identification. He

See JAKARTA, Page 4

Rioters in Jakarta attacking a portrait of Liem Sioc Liong, Indonesia's richest man, after they looted and burned his home. Many wealthy ethnic Chinese had sent their money abroad long before the violence. Page 11.

# Ethnic Chinese Once Again on the Run

By Mark Landler New York Times Service

JAKARTA - They huddled in hotel lobbies, trying to book plane reservations. They stood on street corners. pleading with taxi drivers to take them to the airport. Those who could not flee cowered in their shops, peering out of corrugated metal barriers at a city that had turned suddenly against them.

For the ethnic Chinese, Jakarta has become deadly ground. "I'm getting out of here tonight." said Joseph Chun, a Hong Kong busi-nessman who has lived in Jakarta for two

years. "This place is out of control."

They Try to Flee City After Riots and Arson

Violence against the ethnic Chinese has been an ugly sideshow to every Indonesian political upheaval since Dutch colonial days. But on Thursday it took center stage, as angry mobs looted and burned hundreds of Chinese-owned shops, banks, restaurants, homes and cars in the capital. More than a dozen ethnic Chinese were killed after being trapped in burning huildings.

Chinese people who tried to flee the city Wednesday night faced another ter-

rifying ordeal as mobs stopped cars on the airport highway, searching for Chinese passengers. There were no reports of people killed or injured.
On Friday, the Chinese debated when

it was safe to go to the airport. But even those who made it there found that flights to Hong Kong and Singapore were fully booked.

While the rioters are calling for the downfall of President Suharro, he is a remote figure who rarely mingles with the public. Since his return to Jakarta from Egypt on Friday, he has been sequestered behind the gates of the Pres-

See CHINESE, Page 4

#### China Military Tied to Democrats' Funds no knowledge about the source of Mr.

The following article was written by Jeff Gerth, with additional reporting by David Johnston and Don Van Natta.

WASHINGTON - A Democrace fund-raiser bas told federal investigators he funneled tens of thousands of dollars from a Chinese military officer to the Democrats during President Bill Clinton's 1996 re-election campaign, according to lawyers and officials with knowledge of the Justice Department's

campaign finance inquiry.
The fund-raiser, Johnny Chung, told investigators that a large part of the nearly \$100,000 he gave to Democratic causes in the summer of 1996 - including \$80,000 to the Democratic National Committee - came from China's People's Liberation Army, through a Chinese lieutenant colonel and aerospace executive whose father was General Liu Huaqing, the officials and lawyers said.

General Liu was then not only China's top military commander but also a member of the top leadership of

the Communist Party. Mr. Chung said the aerospace executive, Liu Chao-ying, told him the source of the money. At one fund-raiser to which Mr. Chung gained her admission, she was photographed with Mr. Clinton.

A special adviser to the White House counsel, Jim Kennedy, said, "We had

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	Andona Antilles Carnercon Egypt France Gabon	10.00 FF 12.50 FF 1.600 CFA EE 5.50 10.00 FF 1.100 CFA	Lebenon Morocco Catar Réunion Saudi Arat Senegal	12.50 Fig. 10.00 CFi
2:	laly Ivory Coast Jordan Kuwan	1.250 CFA 1.250 JD	U.A.E	10.00 D
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Chung's money or the background of his guest. In hindsight it was clearly not appropriate for Chung to bring her to see

Mr. Chung's account, coupled with supporting documents such as bank records, is the first direct evidence obtained by the Justice Department that elements of the Chinese government made illegal contributions to the Democratic Party. Under American law, foreign governments are prohibited from

contributing to political campaigns.

While the amount described is a tiny part of the \$194 million that Democrats raised in 1996, invesogators regard the identification of Miss Liu as a breakthrough in their search for confirmation

of a "China Plan." The bunt was prompted after U.S. intelligence inter-cepted telephone conversations suggesting that Beijing considered covertly influencing the American elections.

Mr. Chung, a Southern California businessman, began cooperating with investigators after he pleaded guilty in March to campaign-related bank and tax fraud. He is the first defendant in the Justice Department inquiry to agree to

it is not clear whether other Chinese officials or executives were involved in the purported payments by Miss Liu, or what her modvadon or the Chinese military's was. At the time, Mr. Clinton was

See CAMPAIGN, Page S

NEW YORK (AP) - A commer-

cial pilot who plotted to bomb 1 t U.S.

#### AGENDA

#### Pilot Sentenced in Airline Bomb Plot

Page 8.

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Pages 20-21.

Pages 6, 7.

	The Dollar	
New York	Friday @ 4 P.M.	previous close
DM	1.785	1.7789
Pound	1.6262	1.631
Yen	134.53	133.685
FF	5.9845	5,965
PROVINCES:	The Dow	
400	Friday close	previous close
-76.23	9096.00	9172.23
1	S&P 500	
change	Friday @ 4 P M.	pravious dose
-8.63	1108.74	1117.37
	EY REPORT	Page 1

Contrarian Picks for the Market

The IHT on-line www.iht.com

The Intermarket

airliners over the Far East in 1995 was sentenced here Friday to life without parole plus 60 years. He was also fined \$250,000 to prevent him from profiting from his story. Abdul Hakim Murad, 30, who was born in Kuwait and lived in Pakistan. was found guilty along with Ramzi Ahmed Yousef, who was separately

convicted of masterminding the World Trade Center bombing in 1993 and is serving a life sentence. Mr. Murad was convicted of killing a Japanese passenger in the bombing of a Philippine Airlines jet in 1994 and of plotting to down 11 U.S. air-

liners in January 1995. The plot was thwarted when Mr. Yousef bungled the mixing of bomb chemicals in a Philippines apartment he shared with Mr. Murad,

The apartment filled with acrid smoke and attracted police, who found chemicals, wires and a computer that contained terror plots.

# **Palestinians Hurl Rocks** At Jewish Worshipers

Dozens Are Evacuated From Western Wall

TERUSALEM — Palestinians threw rocks at Jewish worshipers at the Westem Wall in Jerusalem on Friday, a day after Israeli troops shot and killed nine Arabs in the West Bank and Gaza

Israeli policemen moved in quickly to evacnate dozens of Jews from Judaism's holiest site at the foot of the Temple Mount, where thousands of Muslims had held Friday prayers in Al Aqsa mosque

Shmuel Ben-Ruby, a police spokesman, said that no one was injured when rocks rained down from the Temple Mount, and that the violence subsided

The police had rushed reinforcements to the walled Old City in preparation for more unrest after the most violent day in

#### **Conservatives** In France Hail **New Alliance**

- France's conservatives hailed the birth of their planned multiparty alliance umbrella group on Friday as their last chance to avert terminal splits and the first step on the long road

President Jacques Chirac's supporters were pleased and hoped it would lead to an effective opposition against the "plural left" coalition of the Socialist prime minister, Lionel Jospin.

Skeptics said the alliance announced Thursday between Mr. Chirac's Rally for the Republic, or RPR, and the center-right Union for French Democracy, or UDF, did little more than paper over the cracks between the two main op-

position groups.
But commentators agreed that the mainstream right had no other alternative to end a crisis that has worsened since it lost a parliamentary election to the left a year ago.

This is the right's first good idea" since Mr. Chirac dissolved the National Assembly a year ago, said the left-wing daily Liberation, recalling the major blunder that forced Mr. Chirac to sbare power with Mr. Jospin. "The alliance itself doesn't solve anything, but it is an important signal."

A Chirac aide said: "This is very positive for the president. It gives the right a new framework and allows him more contact with the opposition. The challenge now will be to fill out this new framework with effective policies."

Philippe Seguin, RPR leader, and Francois Leotard, UDF chief, said the alliance, starting in September, left out dissidents who defied party bans on allying with the far-right National Front elections in March.

The surprise announcement came after weeks of hickering among conservatives on whether to unite, merge or

But the goals and the future of the alliance remained unclear as the National Front mocked it as ''patching up a the West Bank and Gaza in almost two

Hundreds of thousands of Palestinian protesters took to the streets on Thursday to mark "al nakba," or "the catastrophe," resulting from Israel's creation in 1948.

"What happened yesterday was a pro-cess of sniping at our wounded and our martyrs," Yasser Arafat, the Palestinian leader, said in Gaza on Friday. "It was a

barbaric operation."

In Hebron, rock-throwing Palestinians clashed with Israeli soldiers along the tense line dividing the Israeli- and Palestinian-controlled sectors of the West Bank town.

Witnesses said an Israeli newspaper photographer was hit in the stomacb by rubber-coated metal bullets fired by Israeli soldiers. He was taken to a hospital for treatment. Army radio said his injuries were not life-threatening.

In Gaza City, hundreds of people chanting, "Netanyahu, our people will never kneel" took part Friday in the funeral of one of the casualties, Zamal

Wahidi, 55, a nurse and father of 14.

"Zamal was killed while trying to assist one of the wounded," said his cousin, Jamal Wahidi. "He was hit hy four bullets, two in the chest, one in the

heart and one on his finger."

Israeli Army officers said Thursday
that troops had opened fire only when they believed their lives were in danger. Outside the West Bank town of Nablus on Friday, about 200 Palestinians threw stones at Israeli soldiers, who took shelter behind military checkpoints, wit-

nesses said. The soldiers responded with rubber hullets and tear gas, but no one was

■ Israelis Answer Torture Charge

Denying allegations of torture, Israeli officials on Friday defended the use of 'moderate physical pressure" on suspects in exceptional circumstances to

By Steven Erlanger

WASHINGTON - In a deliberate

effort by both the Israeli and American

governments to tone down the rhetoric

and pursue a solution to their current

impasse over a West Bank withdrawal,

Prime Minister Benjamin Netanyahu

met a senior American official for more

discussions Friday before flying to New

U.S. Middle East negotiator, Dennis

Ross, attempted to build on incremental

progress made in two days of talks,

Wednesday and Thursday, with Sec-

breakthrough. David Bar-Illan, the Is-

raeli spokesman, said: 'It's all open. We're trying to find the kind of solution

While "we do have sufficient reason

to continue serious work," the State

Department spokesman, James Rubin, said Thursday night, "it's hard to be

optimistic, given the history of this pro-

cess and our concern over growing vi-

olence among the Palestinians."
A senior U.S. official said Mrs. Al-

But there was no indication of a

retary of State Madeleine Albright.

that is suitable for everyone."

Mr. Netanyahu's meeting with the

York for the weekend.



Women running for cover Friday at the Western Wall in Jerusalem's Old City after Muslims started throwing stones from Al Aqsa mosque.

prevent terrorist attacks. Agence rance-Presse reported from Geneva.

Defending Israel's interrogation policy before the United Nations Committee Against Torture, the Israeli team denied that their methods contravened international conventions.

The team said that sleep deprivation, deafening music, violent shaking. threats and putting boods on prisoners' heads did not constitute torture or inhuman or degrading treatment in con-travention of the 1987 UN international convention against the use of torture.

bright was not yet ready to report to President Bill Clinton on whether the

Israelis could soon agree to a deal that

would allow them to start final peace talks with the Palestinians in a Wash-

After Thursday's meeting, senior Israeli officials said that progress was

being made, "hut this is a slow-motion

thing, slow but steady."
Mrs. Albright will travel to London

on Saturday to join Mr. Clinton for

meetings with European leaders that

start on Monday. Mr. Ross is expected to

meet again with Israeli officials here on

Sunday, and with Mr. Netanyahu when

Mr. Netanyahu to accept an American

proposal that would require a withdraw-

al from 13 percent the West Bank. The

weeks in parallel with specific Pales-

tinian steps to fulfill their obligations to

mained the size of the withdrawal, with

Mr. Netanyahu still resisting different

formulas to get to 13 percent, and bow to

agree on the size and manner of a last

interim withdrawal, due by Sept. 1 un-

Officials said the main problems re-

The United States has been pressing

be returns to Washington that day.

Netanyahu Holds More Talks in U.S.

The Israelis, beaded by Alan Baker, a Foreign Ministry legal counselor, and Deputy Justice Minister Yebuda Schaffer, confirmed that "moderate physical pressure" on detainees had been authorized by the Israeli Supreme Court and was used only in exceptional circurnstances to obtain vital information to thwart terrorist attacks.

Last May, the UN anti-torture committee of 10 independent experts condemned the behavior of the Israeli security services as acrs amounting to

Mr. Netanyahu, who spent the hulk of the day making speeches to Jewish

groups and talking to supportive leg-islators oo Capitol Hill, met for 90

minutes with Mrs. Albright at his botel.

Netanyahu would follow Mrs. Al-

bright's tone in her Tuesday speecb and seek to calm relations with Washington

while he is here, not exacerbate them.

and a lot of people wonldn't mind if he

didn't have a more challenging rela-

tionship with Washington, but be's de-

cided not to do that," one official said.

In a nonetheless rousing breakfast speech to the Washington Institute for

Near East Policy. Mr. Netanyahu re-

peated his mantra that peace emerges

The normalization that peace brings

may be reversed by any change of gov-

ernment or by the wbim of undemocratic

Arab leaders, he said, arguing that Is-

rael's only security came from its mil-

itary strength. He said that Egypt and

Jordan made peace with Israel only wben

they realized they could not defeat it.

peace that can be defended," he said.

from security, not the reverse.

"He's sensed a boiling environment,

Senior Israeli officials said that Mr.

# Milosevec Upbeat at End Of First Talks on Kosovo

BELGRADE, Yugoslavia - Calling it an initial step toward peace, President Slobodan Milosevic met for the first time on Friday with the independenceseeking leader of Kosovo's ethnic Albanians.

The fact that Mr. Milosevic had agreed to talk with the ethnic Albanian leader, Ibrahim Rugova, was by itself considered a breakthrough.

But with the majority Albanians in Kosovo Province continuing to press for independence — something Mr. Mi-losevic has ruled out — little was ex-pected from the talks immediately. It appeared that the meeting had ended with no concrete result. Mr. Mi-

losevic said in a statement issued after the 90-minute session that "this meeting could be considered as the start toward a peaceful solution of the Kosovo crisis."

Mr. Rugova said later that they had tackled and discussed many different issues. "It seems there is readiness to move ahead toward a peaceful political

solution to the Kosovo issue," he said.

Pressure by Richard Holbrooke, the
U.S. envoy who brokered the 1995
Dayton accords that ended the war in Bosnia-Hezegovina, belped to hring about the meeting at the presidential

palace in Belgrade. The statement issued by Mr. Milosevic said that he had agreed with Mr. Rugova that there would be weekly meetings between the two delegations, and that the next meeting would be held by the end of next week.

Mr. Milosevic said the solution for Kosovo should be based on 'equality of all citizens" of the province, where ethnic Albanians outnumber Serbs by 9

Mr. Holbrooke had stressed there was

no hint of a pending compromise to end the violence in Kosovo, but he called the meeting an important "procedural breakthrough. Violence in Kosovo has threatened to turn into full-scake war since Serhian police forces and the Serb-dominated

Yugoslav Army began a crackdown on ethnic Albanian militants in February. More than 150 people have been killed.

Before the talks between the two sides Friday at the White Palace, Mr. Rugova met with the U.S. chargé d'af-faires in the Yugoslav capital, Richard

On the eve of the talks, heavy fighting was reported southwest of Pristina in Kosovo. The Serbian police said that ethnic Albanian forces bad attacked a police station, wounding three police

Mr. Rugova's information center said that beavy fighting and explosions had been reported in the area Friday. There were no immediate reports on casu-

Militants in the ethnic Albanian Kosovo Liberation Army appear to be gaining ground in the rugged countryside, controlling as much as 40 percent of the province. Kosovo Albanians had refused to

meet with Mr. Milosevic unless a forpressure from Mr. Holbrooke, Mr. Rugova and his negotiating team agreed to meet on their own with the Yugoslav

Some ethnic Albanians protested the talks. A rival of Mr. Rugova's Adem Demaci, issued a fiercely critical statement, and two of the 15-member negotiating team resigned Thursday, as-

WEATHER

serting that Mr. Rugova had made concessions.

Me Clash the

Senior ethnic Albanian politicians said that their presence was only a "sign of goodwill" and a first step toward negotiations with foreign mediation.

Serbs, who consider Kosovo the cradle of their Orthodox Church and

culture, have ruled out independence for the province.

Foreign powers are also opposed, because border changes traditionally have sparked wider wars in the Balkans.

#### BRIEFLY

#### Lebed Yows to Focus On Siberia for Now

KRASNOYARSK, Russia — Alexander Lebed, who running for governor of Krasnoyarsk, said Friday that he would not consider seeking the Russian presidency un-til he had ensured the vast Siberian

region's prosperity.

Asked about his presidential plans ahead of Sunday's regional vote, he replied: "I will work on the region just as long as it takes for it to be prosperous. I will get into the presidential election only when I am sure I will come first."

Mr. Lebed won the first round of the election in Krasnoyarsk on April 26. He is the favorite to win the runoff Sunday against the incumbent governor.

#### Leaders Denounce Synagogue Bomb

MOSCOW - The leaders of Russia's two biggest religions —
Orthodox Christianity and Islam —
on Friday denounced the bombing of a Moscow synagogue, saying nothing could justify attacks on places of worship.
People who commit such acts

should know that they are involved in a sinful and criminal affair," the Russian Orthodox patriarch, Alexei II. said. "They may claim any kind of excuse, but there is none." The leader of the Muslim community in Russia, Sheikh ul Islam Taglat Tadzhddin, called the bombing of the synagogue a "terrorist act."

SECTION AND IN

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Hard-Liner

Favoring handle May

The Lubavitch Marina Roshcha synagogue was damaged by a bomb on Wednesday. (Remers)

#### For the Record

Prime Minister Tony Blair is planning another trip to Northern Ireland this coming week amid signs that support for the peace deal. he negotiated is waning ahead of a May 22 referendum. (Reuers)

far-right German People's Union said Friday that it would put up candidates in legislative elections in September, when it expects to get 9 percent of the vote and win seats in Parliament. It scored 12.9 percent in regional elections last month in Sax-

#### TRAVEL UPDATE

#### Southeast France Trains Still Scarce

MARSEILLE (AP) — Train traffic remained snarled in southeastern France on Friday after rail workers decided to continue a strike for more pay that began Tuesday. One out of three trains ran on major rail lines in the Marseille

region. One out of five suburban trains was running.
Rail workers paralyzed traffic across France from Tuesday night until Thursday morning, when the nationwide strike ended.

#### Rolling Bank Strikes Start in Greece ATHENS (Reuters) — Greek banking unions started a

series of rolling strikes Friday against government plans to privatize much of the hanking sector.

Workers went on strike for 24 hours Friday at the National Bank of Greece. One-day strikes were called at the Agricultural Bank on Monday and at the Commercial Bank on Tuesday. A four-hour nationwide bank strike has been set for Wednesday.



#### Wiring Checks Stepped Up on 737s

WASHINGTON (WP) - The Federal Aviation Administration has expanded its order to inspect fuel-tank wiring on Boeing 737s, including somewhat younger planes and adding a set of wires that was exempted from the original inspection. An agency spokesman said that no serious disruptions in airline flights were expected and that the expanded inspections were more of a precaution than an emergency.

Chaffed high-voltage wires were found by mechanics during inspections of some younger planes, the spokesman said. The findings were made when airlines went beyond the previously required inspection, which was to look for bare electric wires and frayed insulation on wiring in wing fuel tanks.

Americans are expected to make a record 251 million summer trips, up from 244 million in 1997, but the growth, 3 percent, will be less robust than the 9 percent recorded last year, the Travel Industry Association said.

#### JFK Airport Reopens Terminal

NEW YORK - A renovated Terminal One, gateway to New York for thousands of travelers, is the cornerstone of a multibillion-dollar John F. Kennedy International Airport

"Terminal One stands at the front door to JFK, just as JFK stands at the front door to America," Governor George Pataki said at a dedication ceremony. "The completion of this dazzling new terminal strengthens New York's economy by bringing the world closer to all that New York has to offer." Mr. Pataki was joined by executives from Lufthansa German Airlines, Air France, Japan Air Lines and Korean Air, which will be situated in the \$435 million building. Although officially opened on Thursday, flights will not operate through

The new glass and steel structure with bigh vaulted ceilings houses new restaurants, retail shops, designer boutiques, as well as red-jacketed customer service representatives.

the terminal until early June.

20107 2079 s 42/107 20/75 s 2071 1961 pc 21/70 1664 pc 2072 1861 s 38/97 20/71 s 22/71 1060 pc 28/32 14/57 s 1966 840 pc 20/73 14/57 s 36/97 44/57 s 41/108 18/64 s 36/100 24/75 s 40/104 23/73 s

Europe North America

Warm in the Northeast Salurday | O Monday with some sunshine, but it may thunderstorm Sunday. In London and Pans Saturday in London and Pans Saturday in London and Pans Saturday thunderstorm Sunday. In the derstorm or two Mostly South Korea, but Seoul Midwest and the Ohio Veley with some sun, but steamy with thunderstorms from the Tennessee Valley to the Gulf Coaet Unsetted and cool in the West.

He Warm with some sun and very warm from Telwan to southweether and Tokyo will remein dry and Tokyo will remein dry and tokyo will remein dry and the Netherlands. Saturday in Monday. Clouds and perheps a character of the Gulf Coaet Unsetted and cool in the West.

Asia

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Asia

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SCORE MACOUS EAST & AFTER

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One of the Rugger and a second of the control of th By Peter Baker Washington Pass Service WASHINGTON - By the time the sbots rang out, there was nothing Timothy McCarthy could do but get in the way. Which he did. With his arms the profession of the party of and legs extended, the Secret Service agent made himself a target, and a bullet intended for President Ronald Reagan

struck him instead. That was March 1981. At the moment John Hinckley Jr. opened fire, Mr. Mc-Carthy was standing next to Mr. Re-

"If the president had said to me, Tim, I have to have a private con-versation with Mike Deaver, would you just step forward a little so you won't hear?" Mr. McCarthy said, "the round that hit me would have hit the pres-

The lessons the Secret Service has drawn from those few seconds of pandemonium are at the heart of an unprecedented legal battle that was in the spotlight publicly for the first time. Thursday in a federal courtroom.

A SNOY ARSK Rush Lened, who mining the Kasmovard, said and constant and constant arranged the variable constant arranged the variable. Should agents who guard President Bill Clinton be forced to testify in the Monica Lewinsky investigation? If they are, will future presidents fear being overheard so much that they push their guardians away? Could this give an assassin an opportunity to kill the na-oon's leader?

It is an argument of emodoo versus

Neither statute nor precedent exists to block law enforcement officers from providing evidence in a criminal invesogation. During the court hearing oo his bid to compel agents to testify, the independent counsel Kenneth Starr said they "cannot blind themselves to ev-

Proximity to the President Is Focus of Battle With Starr idence of possible violations of law." But, citing experiences like Mr. Mc. Carthy's outside the Washington Hilton Hotel 17 years ago, the Secret Service director, Lewis Merletti, has privately predicted that cracking the agency's

The Clash Over the Secret Service

longstanding tradition of secrecy will result in the death of a president. A Justice Department lawyer echoed that view in open court, warning darkly, 'It doesn't take much before you run the risk of assassination."

In the next few weeks, Judge Norma Holloway Johnson — and possibly jurists up to the Supreme Court — will have to decide whether that assessment is alarming or alarmist.

While the Secret Service has never before claimed a "protective privilege" to shield its agents from testifying, the fight with Mr. Starr is the latest skirmish n a perennial battle for the agency.

Throughout its 97-year history of

protecting presidents, the service has struggled to get close enough to stand in harm's way, often against the wishes of

the people it was guarding. Eleanor Roosevelt refused to accept protection, prompting agents to tail her undercover. Lyndon Johnson used to order his driver to speed up while tooling around his Texas ranch in order to lose his security detail. Mr. Reagan once insisted on walking across Lafayette Square to church with agents at a distance, though the winter cold changed

'If you don't have trust and confidence, you don't have proximity, said Edward Walsh, a retired agent who protected Mr. Johnson and Richard Nix-

"If you don't have proximity, you have an open door. Some bad guy is going to walk through that open door."

To stay close in those they are guarding, Secret Service agents say they will go to unusual lengths, even disguising themselves to blend into events around

They have dressed as soldiers, doctors, college professors and construction

When a president throws out the first baseball of the season, one of the umpires sometimes is an agent. During a U.S. tour by Pope John Paul U, an agent even posed as a priest, complete with collar - and the telltale radio plug in his

While Mr. Clinton shakes hands along a tope line, an agent typically stands just behind him with hands on the president's hips, ready to pick him up, pull him away or push him down at a moment's notice.

Another agent may be holding neur the president what appears to be a briefcase but is actually a bulletproof

Yet this blunt talk of assassination when the issue at hand is a dispute over legal procedure has some critics sug-gesting that the Secret Service is engaging in scare tactics.

These critics say they doubt that the Lewinsky case will change the culture at the White House.

There's a question of good manners," said Governor Frank Keating of Oklahoma, a Republican who oversaw the Secret Service as assistant Treasury secretary during the Reagan adminis-

"The agents should not be talking about purely private matters in purely private situations. But absent that, they are swom law enforcement officers, and the president is not above the law and they are not above the law."

#### POLITICAL NOTES

#### House Votes Persecution Bill

WASHINGTON — The House has overwhelmingly approved a bill to punish foreign countries that persecute

people for their religious beliefs.

The lopsided vote, 375 to 41, masked many lawmakers archivalence toward a popular bill that aims to champion religious liberties worldwide but which critics say will imperal religious minorities, create a hierarchy of human rights violations and hurt U.S. foreign policy.

This was an awfully awkward vote, and I know I'll hear from the folks hack home, said Representative Mark Sanford of South Carolina, one of 14 Republicans who opposed the bill. "But the devil was in the details."

Uoder the bill approved Thursday, countries that permit or endorse a pattern of violent attacks or other persecution against religious believers would automatically face a halt in U.S. aid, other than food and medical supplies, restrictions on exports and American opposition to loans by international financial institutions, including the International Monetary Fund. Among the countries criocized Thursday in the debate were China, Pakistan, Indonesia and

This bill is unlikely to be adopted by the Senate, which is expected to pass a measure giving the president more flexibility in dealing with countries accused of religious

Helms Wants Aid for Cubans

olina, and 21 colleagues, mostly conservatives, have introduced legislation to provide \$25 million a year in U.S. government humanitarian assistance to the people of

The aid, which could be in the form of food, medical equipment or cash grants, would be channeled to noogovernmental organizations in Cuba, and especially to the Roman Catholic church, in an effort to help the island's poorest residents while driving a political wedge between them and President Fidel Castro. At a Capitol news conference, Mr. Helms — a longtime anti-Castro hard-liner — said he believed that the visit to Cuba earlier this year by Pope John Paul II "has sown the seeds of spiritual and political liberatio in the Cuban mind."

"The United States must now help the Cuban people cultivate those seeds of liberation," he said, "just as the United States worked with the Pope in belping the Polish people in their struggle against Communist oppression

nearly two decades ago. The Pope, born in Poland, returned to his native land in 1979, an event widely viewed as having laid the groundwork for the change that swept the country. Mr. Helms and his colleagues sported lapel buttons that resembled the Solidarity logo, but with the Cuban flag and the word in Spanish: Solidaridad.

#### Quote/Unquote

State Senator Jim Cost of California after a favorable vote to move California's presidential primary from June to the first Tuesday in March in 2000 to give the state greater clout in cboosing a president: "This guarantees that California will be at the front of the train." fornia will be at the front of the train.



Senators Helms of North Carolina, right, and Graham of Florida proposing U.S. assistance for Cubans.

# **Showdown Time in Sanctions Feud**

#### U.S. 'Waiver' Could Get Foreign Energy Concerns Off Hook for Iran Deal

By Thomas W. Lippman
Washington Post Service

WASHINGTON - The Clinton administratioo is preparing to announce within days a decision oot to impose sanctions on three major foreign energy companies that have agreed to develop a natural gas field in Iran, according to administration officials and European diplomats.

They said the almost certain outcome of months of intense debate within the

ISFAHAN, Iran - Responding to a

call by Iran's spiritual leader; tens of

thousands of people turned out at prayer

services Friday where backers of a mod-

erate cleric were to have protested his

Supporters of Ayatollah Hossein Ali

Montazeri called off their rally at Is-

fahan's main Imam Square apparently

after about 50,000 people - intending

chanted slogans in favor of Montazeri,

there would bave been clashes and ten-

sion," said Ali Akbar, one of Ayatollah

Montazeri's supporters. He refused to

frontation, the country's supreme lead-

er, Ayatollah Ali Khamenei, called on

his supporters Thursday to gather at the

Friday prayer services to thwart the "seditious" rally by Ayatollah

Setting the stage for a potential con-

"We knew that if we showed up and

to thwart the gathering - showed up.

house arrest

give his full name.

Montazeri's backers.

Hard-Liners Block Protest

**Favoring Iranian Moderate** 

cused decision that it is in the U.S. 'national interest'' to waive sancoons against Total of France, Petronas of Malaysia and Gazprom of Russia.

Secretary of State Madeleine Albright has "not actually checked the box," an official said. But administration officials said that they were preparing to brief Congress in the next few days and confirmed that the most likely outcome was a national interest waiver.

(European Union officials, bowever,

Ayatollah Khamenei and chanted slo-

gans against Ayatollah Montazeri. A

middle-aged man was beaten by a mob

of hard-liners when be shouted: "Long

live Montazeri." The police took him to

Graffiti on walls surrounding the

The calling off of the protest was seen

Ali Qazi Asgari, who led Friday's

"The leader's aim was to show the

prayers, praised the crowd for showing

power of the heroic people of Isfahan," Mr. Qazi Asgari said. "And Thank God,

the people proved it with their pres-

supporters "to denounce those who

want to disturb our national security and

Ayatollah Khamenei had urged his

as a victory for hard-liners, who are

huge square read: "Death to Montazeri,

the American agent."

strong in Isfahan.

up in such force.

administration would be a narrowly fosaid Friday they expected heated ne-gotiations this weekend with the United States over American laws that restrict investments in Iran, as well as Libya and Cuba, The Associated Press reported.

["We still don't have a deal," said Nigel Gardner, spokesman for the EU trade commissioner, Leon Britan. "This weekend there will be a lot of

hard work on both sides."]
At a hearing Thursday oo the Iran matter, Senator Sam Brownback, Republican of Kansas, the chairman of the Senate Foreign Relations subcommittee on the Middle East, said he had beard "pretty reliable rumors" that the ad-ministration was "looking at a national interest waiver,

He said such a move would be unjustified, bowever, because of Iran's support for international terrorism and its efforts to acquire long-range missiles

Mr. Brownback's comment out Martin Indyk, assistant secretary of state for Near Eastern affairs, in an uncomfort- fect able spot, unable to deny the "reliable rumors" but unwilling to confirm them every clinic in the state have stopped in a public meeting. He scaled for confirming them indirectly by explaining why they would be justified.

He said that one of the purposes of the Iran-Libya Sanctions Act was "to try to encourage cooperation" from other countries in confronting Iran. "In order to be effective against the threat that we see here, we need international cooperation," he said.

Under the Iran-Libya Sanctions Act. the president is required to impose multiple sanctions oo any foreign company that invests \$20 million or more a year in developing the energy industries of Iran or Libya. The European Union has adamantly opposed the law and a similar one dealing with investment in Cuba as unwarranted and unjustified.

## Wisconsin Abortion Clinics Shut Down

groups challenging partial-birth abor-

tion laws have oot succeeded in having

Experts on both sides said Wiscon-

By Barbara Vobejda and Joan Biskupic Washington Post Service

WASHINGTON - Abortion clinics one of the nation's most sweeping "partial birth" abortioo bans went into ef-

Wisconsin doctors and virtually performing abortions, citing fear that because of vague language in the state law, they could be prosecuted and imprisoned even for providing other types

of abortious. So-called partial-birth abortion, a late-term procedure in which the fetus is partially delivered into the vagina before it is aborted, has become the new battleground in the abortion rights debate, with two dozen states across the country passing laws banning the pro-

A similar law has been approved twice by Congress and vetoed both times by President Bill Clinton.

The Wisconsin law went into effect on Thursday after a federal judge refused to delay it, making Wisconsin the

penalty for doctors who disobey the ban - life imprisonment - was the strongest sanction on the books in the United States.

the statutes blocked.

Signed by the state's Republican governor, Tommy Thompson, two weeks ago, the law bans abortions in which a doctor "partially vaginally delivers a living child, causes the death of the partially delivered child with the intent in kill the child and then completes the

delivery of the child." The law defines "child" as "a human being from the time of fertilization until it is completely delivered from a pregnant woman."

Opponents of the law said that language could apply to a broad range of abortions, even those performed early in a pregnancy. But supporters of the measure disagreed, calling the decision by doctors not to perform abortions a political tacde meant to distort the intent of

The issue of partial-birth abortions

first state in which abortion rights bas been bitterly corrested in Congress and across the country for several years. Abortion rights groups have contended that the procedure is relatively rare, but opponents say they believe it is par-

Although 24 states have adopted laws banning the procedure, most have faced constitutional challenges.

In six states other than Wisconsin, the laws have not been challenged and bave gone into effect, usually because only a handful of doctors were providing first trimester abortions and had determined that they were unlikely to be prosecuted.

In Wisconsin, Planned Parenthood

But a U.S. District Court judge, John Shabaz, ruled Tuesday that the state law could go into effect while he beard arguments on its constructional-

9:00 and 10:30 a.m. Bioemcamplaan 54.

Wassenear 070-517-8024 nursery prov.

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AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel: 030-8132021,

# Breast Cancer Drug Said to Benefit All Ages

New York Times Service

analysis of any cancer treamment. The statistical analysis shows that for women with the most common, hor-

five-year course of tamoxifen prevents 1 in 6 from developing a recurrence and 1 in 12 from dying over the next decade.

The analysis adds to increasingly positive news about tamoxifen, which last month was shown to prevent breast cancer in women at high risk for the disease. The study reported Thursday focuses on treatment of women who already have had breast cancer.

thought, tamoxifen benefits breast cancer patients of all ages, not just those who have gone through menopause. and is effective whether the cancer was confined to the breast or had spread to lymph nodes in the arm pit.

Tamoxifen also is effective whether the cancer was removed surgically in a lumpectomy or mastectomy, treated with radiation or chemotherapy drugs.

#### AMSTERDAM Contrary to what many doctors had mone-sensiove type of breast cancer, a

breast cancer, tamoxifen, significantly reduces the rates of recurrence and death from the disease among a surprisingly wide range of women but is being prescribed to far too few patients, researchers have reported in the world's largest

**Away From Politics** 

• The Food and Drug Administration has

approved a "super aspirin" to prevent blood

clots. The new medicine, produced by Merck

& Co. and called Aggrastat, could help pre-

vent people hospitalized with unstable

angina, a severe chest pain, from going on to

Texans suffering from watery eyes and

scratchy throats will not get immediate relief

from the foul air caused by Latin American

wildfires that remain out of control. Fore-

states to the north and east will spend much of

suffer heart attacks.

line of a statewide health alert. (AP)

· Another item has been added to the list of prevent subway doors from closing. The offense, a violation that is treated with a civil summons just like urinating in the subways, carries a fine of up to \$100, and the Police Department has actually begue handing out casters predict that most of Texas and other summonses, said Chief Patrick Harnett of the the weekend shaded under a smoky canopy, department's transportation bureau. (NYT)

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Rev. Walter-Riggs from London will preach at the May 17 service of the UNITARIAN UNIVERSALIST FELLOWSHIP OF PARIS. 12 ncon. Foyer de fAme, 7 bis, nodu Pasteur Wegner, Paris 11e. Mª Bastile.
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of America and the Center for Reproducdve Law and Policy challenged the law on behalf of six doctors and several abortion clinics, asking a federal judge to temporarily block it on grounds that it violated the Constitu-

goals of the Iranian nation."

WASHINGTON - A drug for

prompting Texas officials to extend the dead-

· A federal judge dismissed a state manslaughter charge against the FBI sniper who shot and killed the wife of Randy Weaver, a white separatist, during the 1992 siege at northern Idaho's Ruby Ridge.

"don'ts" for New Yorkers: Thou shalt not

# **Execution Is Upheld for Convict With IQ of 60**

New York Times Service SAN RAFAEL, California - A competweek has ended after more than a month when a divided Marin County jury found a deeply disurbed death-row inmate with an IQ in the

60s mentally fit enough to be executed. The immate, Horace Kelly, 38, is scheduled to be put to death this summer for the murder of three people in Southern California in 1984. It is unconstitutional to execute the insane,

and mental competency bearings are often convened before someone who is accused of ency hearing that was supposed to have lasted a murder is tried or before someone who is

The Kelly hearing was called just days before his scheduled execution last month, when prison officials and state psychiatrists expressed doubts that he was able to meet the minimum mental competency atandard. Mr. Kelly'a lawyers argue that his insanity developed after he was sent to death row.



at the Palace

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ALL SAINTS' CHURCH, 1st Sun. 9 &

# **Foreigners** Rushing to Get Away

Evacuation Plans Are Made by Japan, Malaysia and U.S.

JAKARTA - Panicked Americans and other foreigners flocked to airports Thursday, and the U.S. Embassy said it would charter planes to take U.S. citizens and their families out of Jakarta.

Although no foreigners bave been reported hurt in the violence, the State Department advised American citizens to teave Jakarta and Indonesia's secondlargest city, Surabaya.

Other countries were also urging their nationals to leave. Japan said it was drawing up contingency plans to send military aircraft to Jakarta to evacuate its citizens. Malaysia said two of its air force transport planes would fly into the city on Saturday to pick up stranded

The Australian, Canadian, German and French embassies urged their citizens to defer nonessential travel to In-

The warnings sent waves of people to airports with hastily packed suitcases hoping for any flight they could get. Some 15,000 U.S. citizens live in Indonesia, mostly in Jakarta.

'We're just looking to get to a safer spot," said Nancy Carmack, of Grand Junction, Colorado, whose husband works for an oil tools company. She gave her age as "42, but 82 today.

Many evacuees left from Halim airport, the city's secondary airport, used mainly by the military. Jakarta's International Airport has been overrun since Thursday by throngs of ethnic Chinese, frequently the targets of rioters who have burned and looted homes and businesses

In Washington, an official said the evacuation would get under way in the early bours Saturday and was expected to be one of the largest ever carried ont by the U.S. government in a foreign

Two charter planes carrying a total of 800 passengers were to begin flights to Bangkok and Singapore, although U.S. citizens were also urged to use commercial flights to leave the country.

A U.S. official, who asked not to be

named, said the airlift, that would take Canadians, was to be carried out at night as the rioting dies off then.

The evacuees were instructed to bring only one hag for each passenger and to leave their pets behind.

In Bonn, the German Foreign Ministry advised German nationals to leave

Around 3,500 Germans live in Indonesia, with 2,200 of them in Jakarta. The Russian Foreign Ministry said it had no plans to evacuate its embassy staff, but advised Russians against visiting the country. (AP, Reuters, AFP)

#### ■ U.S. Force Nearby

Alan Friedman of the International Herald Tribune reported from London: A U.S. official said Friday that while

Washington was not planning any military force movements related to the evacuation, it will have an amphibious transport unit "in the area if needed."

The official said the unit, which includes helicopters and a Marine force including the amphibious assault ship Beleau Wood, would be taking part in a loog planned U.S.-Thai military excrcise, codenamed Cobra Gold, off the





A tearful unidentified woman hugging her sons in Taiwan after they arrived there safely on a flight out of Jakarta on Friday. Not everybody trying to flee the rioting, looting and arson was lucky enough to get on a plane quickly. Still waiting at the airport in the Indonesian capital were members of the Carmack family of Grand Junction, Colorado — Clayton, left, his sister Kelsey and their mother, Nancy as well as Chris French, a Scotsman, sitting on the bench behind Mrs. Carmack.

# At Jakarta's Airport, Planes Arrive Empty and Leave Packed

By Thomas Fuller onal Herald Tribune

JAKARTA — When her sister called and said that looters had broken down the door, ransacked the house and taken everything — television set, stereo, clothing and shoes - Elizabeth S. knew it was time to leave Indonesia.

Outside her own home, rioters set a brand-new Mercedes-Benz alight. A neighbor's house was gutted by fire, and there was no sign of the police. "We turned off the lights and stayed inside," said Elizabeth, a member of Indonesia's

ethnic Chinese minority. A few hours later; at 2 o'clock in the morning Friday, Elizabeth and her famlly stuffed their underwear with jewelry and money and beaded for the airport with a few small bags and the hope that they would not be stopped hy rioters along the way.

Malaysia - anywhere, family members designer clothing.

said, where they will be safe. After Indonesia's most serious rioting in decades, waiting lists for flights out of the country have swelled. Regional airlines have not been able to keep up. Airlines are flying to Jakarta with their biggest planes empty these days, but invariably

leaving at full capacity.

And the ethnic Chinese are not the only ones on the planes. Foreign companies are evacuating expatriate workers and governments are chartering jumbo jets to get

their citizens out. more,' an ethnic Chinese says. On Friday, thousands of cople slept on the marble and hrick floor of the departure terminal had been waiting 10 bours in the terhere, waiting for the next flight out. minal. Children romped around the terminal, ignoring the worried faces and glassy

eyes of their parents sitting nearby.

The accommodations were far from luxurious, but the men and women wait-They were joined by thousands of ethnic Chinese families who sought tickets to Singapore, Australia, Bali or airport carried cellular phones and wore intervene soon enough in the violence

Durakow, sat on the floor with a matcbing set of Louis Vuitton luggage piled high and a sleepy boxer named India curled up next to Mr. Durakow's khaki pants and black loafers.

'We closed the office down here and we sent the local staff home," said Mr. Durakow, whose company is building a gas pipeline in Sumatra. He and his wife

I don't think this country is mine any

Nearby, an elderly ethnic Chinese woman sat motionless in ber wheelchair parked next to a stack of bulky lnggage.

Children darted in and out of the

that has claimed at least 200 lives and

the police were shaking the looters' hands," said Irwanto, 31, as he waited in line for a ticket to Batam, an Indonesian island near Singapore. "The army isn't doing anything to help. They just say: 'Go ahead, roh the Chinese.'

Mr. Irwanto closed his clothing sbop earlier in the week and said be did not know when he would be back.

"I don't think this country is mine any more," he said. 'And I doo't think a change in government will make a difference. If this continues I'll move to the United

Traveling as far as the United States would be impossible for many of the ethnic Chinese in the departure lounge. Melyana, a woman bound for Bali, said she chose to stay in Indonesia because she could not pay for her entire family to

'We can't afford to go to Singapore,"

A German couple, Petra and Michael left houses and shopping malls around she said. "Just for the visa fee, it's one million rupiah." That's about \$100 at 'I was watching TV last night, and today's exchange rate, but \$400 before the economic crisis began last year. Yet others said proximity was the

biggest factor in choosing where to go.
"Singapore is the nearest place to run
to," said a young woman rushing to board a flight with her family. "We are

leaving in a burry. We still have a lot of unfinished business." Chinese Indonesians said they would return when the situation appeared stable. Few said they thought they would

be away for more than two weeks. Elizabeth, however, who is traveling to Perth with her family, said it could be months before her return.

For her son, that may mean missed opportunities. Recently, Kevin, who looked no older than 6, released an album named Susu Lagi, a collection of pop mnsic sung in Indonesian, the language that he speaks with his parents.
"We bad a lot of appearances sched-

Sanctions Again

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uled for June and July, but now we don't know what we'll do," Elizabeth said.

#### INDONESIA: Counting the Victims as Suharto Remains Silent

Continued from Page 1

streets Thursday. On Friday, large sections of the city showed scars of the burning and looting. Charred vehicles littered the streets; buildings smoldered, and schools and husinesses remained

Banks were looted and automatic teller machines destroyed. Car dealerships, and the cars inside, were burned. In South Jakarta, a warehouse-sized Toys 'R Us store had all of its windows smashed and was looted bare. High-rise office buildings had their windows smashed. Gasoline stations were de-

ally advertising themselves on make- center. shift placards as Muslim-owned, or "Pribumi," meaning native Indonesian-owned.

A McDonald's outlet on M. H. Tharnrin Street used large sheets of cloth to cover its golden arcbes, apparently to avoid damage in case the riots took on an anti-Western tone. Nearby, the upscale to fashionable boutiques and designer clothes shops, was ringed with barbed covered in the burned-out shells of stores

wire and protected by army tanks. The Mangga Dua section of the capital, a lower-middle-class market area of North Jakarta near Chinatown, showed some of the worst damage, and several huildings were still burning Friday af-

ternoon. Some store owners had spraypainted messages across their shottered store-fronts like, "Please don't hurn this house or destroy this property - we are Muslim-owned.

Soldiers and marines kept up a highly visible presence Friday, blocking off key streets leading to some of the hardest-hit great lengths to avoid ransacking, usu- side the Defense Ministry in the city Suharto, who so far has remained aloof

> Aside from sporadic incidents, the streets were early calm Friday, mosily devoid of traffic, with public transportation all hut stopped. Many people. fearing another spasm of violence,

stayed indoors. Meanwhile, the city began the grim task of counting the dead. It appeared Plaza Indonesia shopping center, home that the toll would be far worse than previously thought, as bodies were dis-

and sbopping malls set ablaze during the

rampage.

At least 200 people are believed to have been killed, most of whom were trapped inside hurning buildings.

The most ghastly scene was at the

in East Jakarta, where 175 badly burned bodies were discovered Friday. The victims are believed to have been looters who had entered the mall before it was set on fire and who died as the flames races through the structure, trapping them on the upper floors.

The destruction across the city and the areas and parking tanks and armored huge death toll make this hy far the worst vehicles at major intersections. Four ar-mored vehicles were also stationed out-mored vehicles were also stationed out-further add to the pressure on Mr. amid the growing calls for his resig-

Earlier this week in Cairo, where be had been attending a meeting of developing countries before rushing back to deal with this crisis, Mr. Subarto was quoted saying that if the people no longer wanted him, he would not use force to stay in power.

But on Friday his information min-ister, Alwi Dahlan, tried to clarify the statement, saying Mr. Snharto only offered to step aside, not actually resign
— and he left vague the distinction between the two.

But the pressure appeared to be mounting on the president, with a faction of his ruling political machine, Golkar. joining the chorus of voices demanding that he quit. The Kosgoro faction of Golkar announced that it was withdrawing support for Mr. Suharto and asking him to step down, marking the first break in the history of the ruling party.

"It's a sign that people are deseriing," a Western diplomat said. The key player in any resignation scenario remained the country's powerful armed forces, or Ahri, and on Friday night there were no clear signs whether Abri's top commanders were remaining loyal to Mr. Suharto or were ready to ask him to step down.

Diplomats and military analysts said they believed Thursday's riots posed a 4 dilemma for Abri. The military is faced with a division in its ranks over how to deal with the protesters, with marines showing public sympathy for the young people in the streets.

The sight of marines in their scarlet berets glad-handing and exchanging high-fives with young demonstrators was repeatedly hroadcast on Indonesia's state-controlled television news.

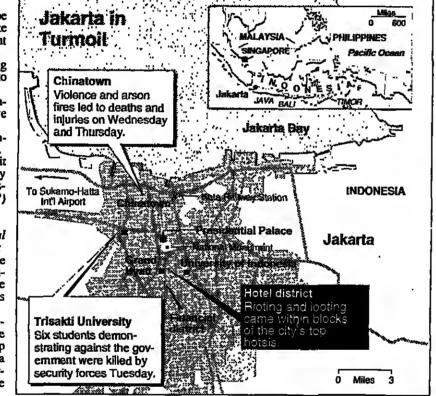
Also, the English-language Jakarta Post ran a front-page photograph of marines marching down riot-torn Salemba Raya Street aloogside the protesters. Several marines had clenched fists raised defiantly in the air. Given those extraordinary scenes, any

military-ordered anompt to crack down on the protests now runs the risk of splintering the armed forces.

While military commanders meet behind closed doors, Mr. Suharto's civilian enclaves and refusing to assimilate. critics have tried to keep up the pres-

> One group has formed its own council. a kind of cahinet-in-waiting, that it hopes can pre-empt any attempt hy the armed forces to set up its own ruling

The key figure behind the new civilian and academic who has emerged as Mr. Suharto's most vocal public critic. Speaking at a mosque Friday, he told Chinese shopkeepers," said Kwik Kian worshipers: "This regime is facing its Gie, a prominent Chinese economist. end, its death. There's no way to post-



#### JAKARTA: Sympathy for Dead Looters

Continued from Page 1

said that of the 175 bodies his hospital had received, almost all of them burned to death, three had been stabbed to death and three, including Mr. Effendi's son, had been shot and killed.

"He went out yesterday at 2 o'clock to join the demonstrations," said Mr. Effendi of his son, who recently graduated from high school and was now, like millions of other Indonesians, without a ies. job. "I said to him, 'Hati hati' — be careful. Late last night I got a call saying he had been killed by the police."

Mr. Effendi was angry. "I want justice," he said. But like many poor

Indonesians, Mr. Effendi, who parks cars for a living, was focused more on his daily needs than on broader political issues. Asked what he wanted now for his

The anger that has boiled up into city's shops. student demonstrations and citywide ri-

johlessness and bankruptcies, and of poor, because they are hungry."
political outrage against President
Suharto and his three decades of strongintended to mourn the six student man rule. The doctors here at Cipto Mangun

Kusumo Hospital, at the University of Indonesia, were angry, too.

"It's borrible," said Dr. Levina, 27, an intern. It is time for the president to step down, she said. "Everybody bere has the same statement. There is no doubt. You ask the doctors, the professors, anybody.

Outside the hospital, students with black armbands handed out small packets of food and water to the relatives who continued to arrive Friday afternoon, even as small vans delivered more bod-

"We want reforms," said a 20-yearold law student who gave his name as "First, political succession. Second, improvement of people's wel-

He said the students who have held campus demonstrations for three months had hoped to avoid bloodshed and had not instigated the riots. But he said they country, he said, "I want prices to go shared common cause with the poor ople who had died trying to loof the

We must step back and see why oting is a dangerous mix of economic these people came to roh these mails and concerns, caused by spreading inflation, markets, he said. Because they are

The black armbands, he said, were intended to mourn the six students who were shot and killed. But now they had

taken on additional meaning.
"From now on," he said, "we mourn
for this country."



An ethnic Chinese woman in Jakarta collecting her belongings in the street Friday after the quarter was looted.

sacking and torching it. The blackened

# CHINESE: After Looting and Arson in Jakarta, a Familiar Target of Indonesian Anger Is Again on the Run

Continued from Page 1

idential Palace. The Chinese, on the other hand, are an easy target, with shops and husinesses everywhere in Jakarta.

As the mob seeks to vent its rage against Mr. Suharto. Chinese people have become the hapless proxies for an unpopular president.

l guess they are jealous of us," said Johan, a gangly 20 year old, as he struggled to understand why rioters rampaged through Chinatown on Thursday, laying waste to his neighborhood. "I know that many Chinese people are rich, but they should realize that not all Chinese are rich."

Indeed, Chinatown is a working-class

shops and apartment buildings. Friday, the country's private wealth. By one the neighborbood looked as if it had been estimate, Chinese entrepreneurs control. Thursday, when a group of rioters made lation in Indonesia perpetuated the rift bombed, with debris piled high on the 80 percent of the 163 companies listed sidewalks and charred hulks of cars, on the Jakarta Stock Exchange. trucks and motorcycles forming an obstacle course on the main street.

Nearby, a three-story shopping mall filled with Chinese-owned stores had been gutted by fire. As military police officers stood guard, shopkeepers sifted through the ashes for pots, pans and a few other possessions.

The perception of economic injustice has fed anu-Chinese feelings in Indonesia since the 19th century. Political analysts cite a simple statistic:. Chinese people constitute less than 5 percent of and through monopolies on importing Indeed, Chinatown is a working-class community with small stores, car repair million, but they own three-quarters of also one of Mr. Suharto's closest friends.

Still, the animosities between indig-Many Indonesians believe that leading Chinese businessmen made their fortunes through collusion with the Suharto government, which granted them lucrative contracts and franchises. For example, Indonesia's richest man,

remains of a Mercedes-Benz sedan stood enous Indonesians and ethnic Chinese in the garage of the contemporary-style said, "they always refer to the Indonerun deeper than simple economics. house, which is now little more than a sians as locals,

Liem Sioe Liong, made his multihillionwho runs the family business. Mr. Salim Sukarno. dollar fortune by winning government is a member of Indonesia's delegation in contracts to huild cement and steel plants talks to refinance \$80 hillioo in private-

concrete shell with smoldering cinders. On the fence in front, rioters had spraypainted the words "Suharto's Dog." Friends of Mr. Liem said he was in Singapore at the time of the anack, as living dangerously in which Mr. Suharto group is Amien Rais, a Muslim leader was bis son and heir, Anthony Salim,

Mr. Chun, the businessman who is from Hong Kong but has Canadian cit- erry.

for Mr. Liem's bouse in central Jakarta, with indigenous Indonesians by living in "When you talk to the Chinese," he sure.

But as terrifying as this week was, some ethnic Chinese said it was not as had as the persecution that Chinese council. people suffered in 1965-66, the year of wrested power from President

"In those days, the looters killed the "Now they only want to steal their prop- pone it."

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the economic crists began larger Yet other, and proving when the great factor in chaosing where the Comparate is the nearest place. Singapore is the nearest place to said a young woman managed card a flight with her family the taving it a hurry. We full have the ntinished husiness." Chinese indonesians said they to cturn when the situation appearance from each or committee. E THE STATE OF THE PROPERTY OF Elitabeth town to the house to Perch with her trade, and now them the first better her trade. देशवहरू द्वाना सर १००० मान्या विद्या Mariana and Transfer in the same in the sa

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# India Can Make a 'Big Bomb Now,' Leader Says, But Only for Defense

By Kenneth J. Cooper Washington Post Service

NEW DELHI - Prime Minister Atal Bihari Vajpayee on Friday declared India to be a nuclear power capable of making an unspecified "hig bomh," but he also said it would not be used in a first strike and only employed if necessary to defend the nation.

Mr. Vajpayee's first public comments on strategic issues since India's five underground tests this week spelled out that his coalition government planned to develop an arsenal of nuclear weapons. Since India's first test in 1974, successive governments have maintained that the nation's nuclear program was for peaceful purposes and asserted the right to keep open an option to produce warheads.

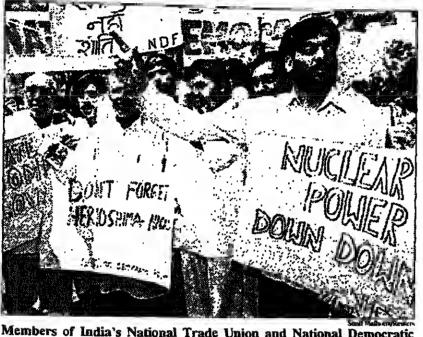
Mr. Vajpayee and other government

On Friday, in a speech to political supporters and then in an interview with India's leading newsmagazine, he spoke

India is now a nuclear weapons state," Mr. Vajpayee told India Today, the transcript of which his office re-leased. "We have the capacity for a big bomb now. Ours will never be weapons

The prime minister's office initially rcteased a transcript that said India already had a "hig bomb" and also the necessary command and control system. but the government later issued a clarification that inserted the words "the capacity for" and deleted the reference

in a brief, sober speech to supporters



Members of India's National Trade Union and National Democratic Front shouting slogans Friday in New Delhi against the nuclear testing.

# Sanctions Against India: **Experts Are Skeptical**

By Paul Blustein ington Post Service

WASHINGTON - U.S. sanctions against India are likely to inflict only modest economic punishment, according to many experts, despite claims by Clinton administration officials that New Delhi will suffer greatly for testing

A major problem, analysts said, is that the sanctions thus far do oot enjoy enough support from other rich counn nations, in particular, may be willing to fill the breach in loans and credit guarantees opened by the U.S. sanctions.

Moreover, India has a relatively closed economy that is less vulnerable than many other countries to a sudden loss of credit. India's main stock index, which plunged 6 percent this week over fears about the sanctions' economic effects, recovered about half of that loss Thursday as investors voiced relief that the economy appeared likely to escape a nasty hlow.

Administration officials, in announcing President Bill Clinton's decision to impose curbs on U.S. trade, aid and loans to India, said the pain in India would be acute.

"I am certain that India will soon understand the far-reaching impact of the president's decision," said Karl Inderfurth, assistant secretary of state for South Asian affairs.

All told, the sanctions would affect about \$20 hillion in loans, guarantees and other economic aid.

· But the penalties that Mr. Clinton imposed are not nearly as drastic as, say, the near-total embargo on Iraq's global trade, which is backed by a United Nations resolution.

Rather, the sancoons bar U.S. government agencies such as the Export-Import Bank and the Overseas Private Investment Corp. from financing deals with India, and prohibit the sale of weapons or technology that could be used to make weapons. Moreover, U.S. foreign aid to India is suspended - and new World Bank loans to the country are endangered, because Washington will

oppose them. So while American companies such as Boeing stand to lose hundreds of millions of dollars in orders from India for lack of government financing, the Indians may well be able to obtain the products they need from other sources: Airbus Industrie of Europe, Boeing's rival, being an obvious candidate.

Mr. Clinton will be striving mightily this weekend at the annual economic summit of seven major industrial nations and Russia to persuade his fellow leaders to adopt the U.S. approach. So far, though, among those nations, only Japan has said it will join Washington in

suspending aid. Kimberly Elliott, a research fellow at the Institute for International Economics in Washington, said that if the summit leaders could "put together a coordinated package, it would have an impact — not a buge one, but it would be

She added, however, that "it doesn't look like you're going to see that degree of cooperation.

> FOR INVESTMENT INFORMATION Kead THE MONEY REPORT every Saturday in the HIT.

officials had earlier described what were detonated this week as "nuclear

of "weapons.

of aggression."

to an oversight structure.



India is much less vulnerable to sanctions than many of its Asian neighbors, economists agree, because its economy has been isolated until recently and its people are so accustomed to grinding

The Indian economy boomed for several years following the 1991 adoption of economic reforms aimed at reversing decades of protectionism and statist controls. Economic growth slowed in 1997 to about 5 percent, however, as the government backtracked on pro-marker policies, and foreign investment in the economy has remained at modest levels: just a little over 1 percent of the oearly

\$400 billion in gross domestic product. "If you launched sanctions like this on China, the effect would be much greater, because they depend so much more on foreign investment," said David Rothkopf, a former senior Commerce Department official, adding that India's "backward economic policies have acmally immunized it against the consequences of ill-considered foreign

Even cutting off new World Bank loans and other foreign aid would likely produce a gradual, modest squeeze on Indian living standards rather than a

severe one, analysts said. While India is one of the world's biggest aid recipients, international assistance accounts for only about 1 percent of GDP.

The Indian authorities, some experts said, still ought to worry about one scenario: a dramaoc change for the worse in sentiment among both foreign and domestic husiness executives.

"I've gone there a huge number of times, especially in the past couple of years, and I'm impressed by the real dynamism of their modern entrepreneurial sector," said W. Bowman Cut-ter, a former White House official who heads a company that has invested in several Indian ventures. "That could dry up, and it would be felt a lot. But it's not inevitable."

will not besitate." Mr. Vajpayee's declaration that India possesses nuclear weapons amounted to a demand that the international community recognize the nation as such,

joining the United States, Russia, China, France and Britain. Once a nation signs the Nuclear Nonproliferation Treaty -India has not - it is allowed to keep its nuclear weapons and does not have to submit to the same international inspections of its facilities as other states.

India has challenged the international goal of limiting the number of declared nuclear powers to five and preventing the spread of such weaponry. That goal been ienuous because India. Pakistan and Israel have achieved the capability to produce nuclear weapons, making them so-called threshold states.

Since its inception in the 1960s, India's nuclear program has been under the civilian control of government scientists and senior hureaucrats. A naional security adviser to Mr. Vaj-payee's political party said that a new command and control system to oversee nuclear weapons would be created separate from existing military services. According to a senior Vajpayee aide, Pramod Mahajan, civilian control would be maintained.

The national security adviser, Mohan Guruswamy, said that India's nuclear doctrine would be developed during the next few months as part of a national security review being directed by K.C. Pani, a former defense minister. Mr. Vajpayee explained India's decision to resume nuclear testing, which has brought a round of international condemnation, as motivated by a need to ensure the nation's "security and selfdefense" and to update its knowledge of nuclear technology.

We live in a world where India is surrounded by nuclear weaponry," Mr. Vajpayee said in the magazine inter-The world community should appreciate the fact that India, the second most populous country on Earth, waited for five decades before taking this step' — that is, since independence.

India borders a declared nuclear power, China, and an undeclared one, Pakistan, the archenemy against which India has fought and won three wars. China defeated India in a 1962 border war that lasted a month.

The prime minister said in his speech that "in the last few years, our security environment on all our four sides has deteriorated." He said: "New weapons are being made. Old ones are being modernized. In this region, weapons are being hrought from outside," an apparent reference to the reported supply of missile technology to Pakistan by both China and North Korea.

The underground explosions at the desert testing site about 530 kilometers manded that Pakistan conduct a test. A (330 miles) southwest of Delhi near the military expert said a nuclear test Pakistan border, he said, were also "done just to see that what you did in the lab will take shape on the ground or

months, denied any partisan purpose to hoost the popularity of his Hindu na-tionalist Bharao'ya Janata Party, which dominates a disparate coalioon that controls a narrow parliamentary majority.

Taken together, the separate sets of remarks sent mixed signals to the eight nations, including the United States, Japan and Germany, that have announced sanctions on India for going against the internacional movement toward nonproliferation. Mr. Vajpayee urged other nations to "rethink and reconsider" the suspension of various forms of aid to one of the world's poorest countries, but called sanctions "hypocridcal" and vowed that India would withstand their impact.

Some countries that have imposed sanctions, he said, have conducted "far more nuclear tests" and have huilt huge stockpiles of nuclear weapons and delivery systems' or have been "enjoying the shade provided by some-body else's nuclear umbrella."

Sanctions cannot and will not hurt us," he continued. "India will not be cowed down by any such steps and puniove steps. India has the sanction of her own past glory and future vision to become strong in every sense of the



Protesters from various Pakistani religious parties holding an anti-India march Friday in Karachi, where Islamic clerics gathered to condemn New Delhi's nuclear program and demand that Pakistan conduct its own tests.

# Pakistan Undecided on Test, U.S. Says:

ISLAMABAD, Pakistan - Pakistan appears to have made no final decision whether to detonate a nuclear device in response to India's five tests carlier this week. American officials said Friday.

The officials spoke after Deputy Secretary of State Strobe Talbott held talks here with Prime Minister Nawaz Sharif, Foreign Minister Gohar Ayuh Khan and other senior Pakistani officials.

"It is our sense that the Pakistani leadership has not made a final or irrevocable decision over this issue," an American official said. Earlier, Washington said intelligence reports indicated that Pakistan was pre-

paring to explode a device in a remote southwestern desert region. But the U.S. officials said it appeared that Pakistan was waiting to see if the leaders of industrialized nations meet-

ing in Birmingham, England, would stiffen sanctions against India. "Our posicion is quite clear," said Tariq Altaf, the Foreign Ministry spokes-'Our response will be in keeping

with the threats we are facing and with our national security interests Before the meetings Friday, Mr. Sharif said Pakistan was in "no haste" to conduct a nuclear test. "We have the capability and we did not test the bornh for the last 15 or 20 years," Mr. Sharif said.

"We are in no baste to test the bomb immediately after India tested the bomh," he added on state television. On Thursday, Pakistani senators deby Pakistan could propel the Subcon-nuclear bomb.

tinent into arms-control talks and put

Foreign Minister Gohar Ayub Khan of Pakistan, left, who met with Strobe Talbott, the U.S. deputy secretary of state, in Islamabad on Friday.

the hrakes on a hudding arms race. "Until you admit you have the weapons, you can't start talking about reducing them," said Sbireen Mazari, a South Asian military expert.

Meanwhile, Pakistan's former prime

minister, Benazir Bhutto, called for strong action against India. "Rogue naoons that defy world opinion ought to be taught a lessun," she said, "If a pre-empove military strike is possible to neutralize India's nuclear capability,

that is the response that is necessary."

Pakistan has been subject to U.S. sanctions since 1990, when Washington cut off \$650 million in military and humanitarian aid, saying Pakistan had a

At the time, Pakistan was awaiting an

formula, Mr. Clinton said, might include

an effort to arrange for Pakistanis to

receive "their money hack" for some

order of American F-16 aircraft. Although the United States froze the order, the manufacturer continued making the planes, and Pakistan continued to make payments as the two countries tried to negotiate an end to sanctions.

There is speculation here that in exchange for Pakistan's not conducting a nuclear test, Washington may offer to return its money or give Pakistan about 20 F-16s already built and in storage in the United States.

President Bill Clinton, at a meeting of leading industrialized nations in Birmingham, England, said Friday that he hoped Pakistan could find a way to avoid a nuclear test and "show a great act of statesmanship and restraint."

(AP, AFP, Reuters)

#### Mr. Vajpayee, prime minister for two SUMMIT: Call to Condemn India Tests .

Continued from Page I

posed to imposing sanctions on India, Prime Minister Jean Chretien criticized European governments on Friday for what he called their "slow" reaction to India's nuclear tests this week.

"The Europeans' attitude is rather slow in coming," he said in Birmingham. "We have reacted more rapidly

and more strongly."

Asked if Britain was ready to introduce economic sanctions against India, Mr. Blair's spokesman said London was "debating a range of opoons" and had held back so far "precisely because of our role as president of the European Union and the G-8." The Briosh spokesman said Mr. Blair believed that as far as India was concerned "we have to keep the temperature lowered a little hit."

Mr. Clinton, by contrast, used each photo opportunity during Friday's round of meetings to urge the group to take "a clear position" condemning India and asking Pakistan not to conduct nuclear tests. The U.S. president said he would urge his G-B colleagues to find "a for-

U.S. F-16A fighter jets that were paid for hut never delivered. Pakistan is owed \$501 million for the aircraft it never received because of U.S. legislation blocking delivery unless the U.S. president certified that Pakistan

was not in possession of nuclear weapons. A U.S. official said Friday that Washington was working to find a thirdparty buyer for the fighter jets. Aides to Mr. Clinton also said that Strobe Talbott, the deputy secretary of

state, would fly to Birmingham on Fri-day night from Islamabad, where be had held talks with Pakistan's prime minister, Nawaz Sharif, But U.S. officials declined to comment on what inducements Mr. Talboo might have offered to Pakistan in his effort to stop a new round of ot-for-tai nuclear tests. Mr. Clinton said it would be "a great act of statesmanship and restraint" for

Pakistan to not go ahead with nuclear tests. But he acknowledged the "overwhelming political pressure that must be mnla" that would make it "politically possible" for Pakistan "not to go for-officials of the countries represented at ward" with its own nuclear tests. This the summit meeting believe that Pakistan may go ahead with a nuclear tests in a matter of days, notwithstanding Mr. Talbott's mission and their own calls for

"It is too late," a French official said Friday, explaining that France and other G-8 countries had received indications that Pakistan had decided to proceed

The Group of Seven industrialized countries - the United States, Canada, Britain, Germany, France, Italy and Japan - has admitted Russia this year to its annual summit conference, forming the Group of Eight Russia does not participate, however, in G-7 meetings of finance ministers.

While the leaders did not concur on joint sancoons for India, they found it easier to agree on how worried they were about the political crisis in Indonesia.

When asked if President Suharto should step down, Mr. Clinton said that it was for the Indonesian people to decide. "What we do believe is important," he added, "is that the present government open a dialogue with all the elements of society and that it lead to genuine political reform.

Mr. Clinton also issued a written statement Friday in which he urged the Snharto government to heed indonesians' demands for economic and political reform.

"Giving the people of Indonesia a real voice in the country's political affairs can make a real contribution to restoring political order and stability based on human rights and the rule of law." Mr. Clinton said in the statement. President Jacques Chirac, who also met separately with Mr. Indonesian crisis.

#### **Blasts Expose Problems of** Verification

By William J. Broad New York Times Service

NEW YORK - Only one of the five nuclear tests that India announced this week was detected by the thousands of seismometers around the world set up to track earthquakes and atomic htasts, renewing a debate among experts about how effectively a test ban treaty can be monitored.

Some weapons analysts say the failure to detect four of the tests only the largest, on Monday, was registered - has landed a body hlow to the internacional monitoring system set up as part of the Comprehensive Test Ban Treaty.

Others say the lack of data on the four blasts is insignificant, and that scienosts might fill the void in the coming weeks as more information is studied. "It raises very serious questions

about the verifiability of this treaty," said Frank Gaffney Jr., a former Pentagon official who directs the Center for Security Policy, a research group in Washington that opposes many of the Clinton administration's arms-control goals.

But Gregory van der Vink, director of planning at Incorporated Research Institutions for Seismology, a scientific consortium in Washington, strongly disagreed.

While acknowledging that "we really have only one seismic signature, and that's from Monday's hlast," he added: "This is not a failure of the international monitoring system but a recognition that there will always be some level below which we won't have a high

certainty of making detections." For generations, arms controllers advocating a global ban on the underground testing of nuclear weapons have said that such a treaty

could be policed by seismometers. The Clinton administration has championed not only the test ban treaty, which it signed in 1996, hat also the construction of a global network of seismometers to achieve

the monitoring goal. The vivid demonstration of the system's weakness is likely to stir more dehate over the usefulness of a policeman who can catch only one in five offenders, and perhaps of the law giving the policeman such au-

# CAMPAIGN: China Military Tied to Democrats' Fund-Raising

Continued from Page 1

making it easier for American civilian communication satellites to be launched by Chinese rockets, a key issue for the People's Liberation Army and for Miss Liu's company, which sells missiles for the military and also has a troubled space subsidiary.

The president's decision was valuable to Miss Lin for enabling her company to do more husiness with American companies, but it had also been sought by American aerospace corporations, including Loral Space & Com-munications and Hughes Electronics Corp., a unit of General Motors Corp., seeking to do more business in China.

A lawyer for Mr. Chung, Brian Sun, declined to comment on his client's conversations with investigators, citing his client's sealed plea agreement with the Justice Department.

of the Chinese government. A National Security Council spokesman, Eric Rubin, said, "It is ludicrous to suggest there was any influence on the determination of U.S. policy on this matter.''

Mr. Chung has denied being an agent

Miss Liu did not return a message left with her office in Hong Kong. Mr. Chung's revelations have opened an avenue of inquiry leading in a diplomatically sensitive direction. Next month, Mr. Clinton goes to Beijing,

where he hopes to announce increased space cooperation between China and the United States..

A representative of the Chinese government denied that Beijing was behind the purported contributions. "China has always abided hy the laws and reg-ulations in this country," said Yu Shuning, a press counselor for the Chinese Embassy in Washington. "We have nothing to do whatsoever with political contributions in this country."

Mr. Chung, an American citizen who was born in Taiwan, owned a floundering facsimile company in Torrance, California. He became involved with the Democratic Party in early 1995 through Asian-American contacts at the White House and was known for constantly trying to use his connections in Washington with Chinese government

officials and executives. Despite being labeled a "hustler" hy one presidential aide in 1995, Mr. Chung managed to visit the White House at least 49 times. He and his company contributed \$366,000 to the Democratic National Committee most of it before he met Miss Liu. The full amount was later returned after questions were raised about Democratic

fund raising. A Democratic National Committee spokesman, Richard Hess, said, "We did not know and had no way of knowing the source of his funds,"

Mr. Chung met Miss Liu in June 1996 in Hong Kong. She was not only a lieutenant colonel in the military, but a senior manager and vice president in with a nuclear test. charge of international trading for China Aerospace International Holdings Ltd., according to the company.

The company is the Hong Kong arm of China Aerospace Corp., a stateowned jewel in China's military industrial complex with interests in satellite technology, missile sales and rocket launches. Miss Liu's father, General Liu, was

China's senior military officer, and as vice chairman of the powerful Central Military Commission was in charge of China's drive to modernize the People's Liberacion Army by selling weapons to other countries and using the hard currency to acquire Western technology.

In addition to his military role, General Liu was a member of the Standing Committee of the Politburo of the Communist Party, the very top circle of political leadership in China. He retired from his official positions last fall at the time of the party's 15th congress.

China Aerospace sells satellites. launches them and owns a large chunk of a Hong Kong satellite operator, but the financial viability of many of these ventures depends on American satellites. In 1996, Mr. Clinton made it easier Clinton ahead of the summit talks, said he for American satellites to be launched hoped for "a peaceful solution" to the by Chinese rockets.

#### SINATRA: The 'Voice' Dies at 82

Continued from Page 1

Jersey, was a symbol of ethnic achievement. And more than most entertainers. he used his influence to support political candidates. His change of allegiance from pro-Roosevelt Democrat in the 1940s to pro-Reagan Republican in the 1980s par-alleled a hig shift in U.S. politics.

Mr. Sinatra left his imprint on scores of popular songs and was the background voice, it seemed, for the romances of most Americans, from the earliest to the second time around.

Among the standards he recorded at least three times were "All or Nothing at All," "Angel Eyes," "Autumn in New York," "I Concentrate on You." "I Get a Kick Out of You." "I'll Be Seeing You." "I'll Never Smile Again," "I've Got a Crush on You," "I've Got You Under My Skin," "Nancy (With the Laughing Face)," "Night and Day," "One for My Baby," "September Forg," and "Stormy Weather."

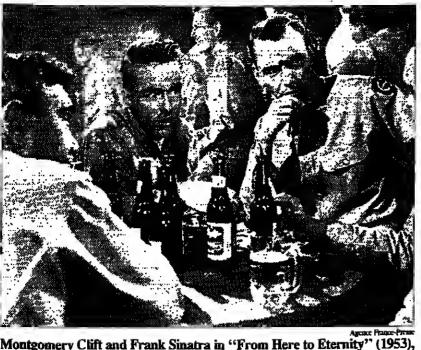
His personal signature songs included "Put Your Dreams Away" (his 1945 theme) and later "Young at Heart" (1954). "All the Way" (1957), "It Was a Very Good Year" (1965), "Strangers in the Hight" (1966), "My Way" (1965) and "New York, New York" (1980).

Mr. Sinatra was born in Hoboken on Dec. 12, 1915, the only child of Martin Sinarra, a boilermaker and sometime boxer from Catania, Sicily, and his wife, Natalie Garavante, nicknamed Dolly.

In 1935, he joined three other young men from Hoboken who called themselves the Three Flashes. The quartet renamed itself the Hoboken Four and won first prize on "Major Bowes's Original Amateur Hour.

After several months with the group, Mr. Sinatra decided to go it alone, and in the late 1930s he had his first important nightclub engagement, at the Rustic Cabin, a roadhouse in Alpine, New Jersey. Local radio exposure brought him to the attention of Harry James, the trumpet player who had recently left Benny Goodman to form his own band. Mr. James singer made his first concert appearance with the James band in June 1939 and his first recording the next month.

Early that year, he married his longtime sweetheart, Nancy Barbato. They would have three children; Nancy, who was born in 1940; Franklin Wayne (later shortened to Frank Jr.), born in 1944, and Christina (Tina), born in 1948.



Montgomery Clift and Frank Sinatra in "From Here to Eternity" (1953), for which Mr. Sinatra won an Academy Award as best supporting actor.

vited him to join his band, which was far more popular. Mr. Sinarra remained with Mr. Dorsey from January 1940 until cond with the band was "Polka Dots and Moonbeams." Six months after joining

held him to a contract that gave the band leader 43 percent of the singer's income for the next decade. Eventually Mr. Sinatra, with his record label, Columbia, and his booking agency, MCA, bought

out the contract.

Mr. Sinatra's last concert with the Dorsey band was in September 1942. Three months later, he made history at age 27 with his first solo appearance at the Paramount Theater in New York City. Billed as an "extra added attraction" on a program headlined by Benny Goodman, Mr. Sinatra appeared on Dec. man to form his own band. Mr. James 30 and evoked a public hysteria that signed Mr. Sinatra for \$75 a week, and the made beadlines. Within weeks be had signed lucrative contracts with Columbia Records, R.K.O. Pictures and

the radio program "Your Hit Parade." Mr. Sinatra's first movie appearance was in 1940, singing with the Dorsey band in "Las Vegas Nights." He made his movie acting debut in 1943, in "Higher and Higher." The film was won him rave reviews, a followed by "Step Lively" (1944) and renewed public sympathy.

Six months after Mr. Sinates signed "Anchors Aweigh" (1945) the Fest of with Harry James, Tommy Dorsey in three movies in which Mr. Sinatra played Gene Kelly's sidekick.

Although be had shown himself to have an engaging screen presence, his September 1942. His first successful re-film career had not made him a top boxoffice star. From 1946 to 1949, he appeared in five MGM musicals — "Till the Dorsey band, he scored his first No. 1 the Clouds Roll By" (1946), "It hit, "I'll Never Smile Again." Happened in Brooklyn" (1947), "The Determined to be the first singer since Bing Crosby to have a successful solo career, he split from Mr. Dorsey, who held him to a contract that gave the head." "The Missels of the Bells" (1949) — and one R.K.O. film, beld him to a contract that gave the head."

'The Miracle of the Bells' (1948).
After two more unsuccessful pictures, "Double Dynamite" (1951) and "Meet Danny Wilson" (1952), his movie career all but evaporated.

While his career was in decline in the late 1940s, his marriage to Nancy Bar-bato also unraveled. In 1949 he had begun an affair with Ava Gardner, the movie star. The relationship became public the next year, and on November 7. 1951, a week after his divorce was final, he married her in Philadelphia. The marriage lasted just less than two years.

Mr. Sinatra's phenomenal resurgence began in 1953 with the release of "From Here to Eternity," Fred Zinnemann's film version of James Jones's best-Hawaii on the eve of World War II. His star surrounded by the hard-drinking, portrayal of Maggio, the combative Italian-American soldier who is beaten to death in a stockade, his spirit unbroken, won him rave reviews, an Oscar and



President Ronald Reagan cutting in on Nancy Reagan's dance with Mr. Sinatra at a 1981 event. By the '70s, Mr. Sinatra was a supporter of the right.

The collaboration with the arranger Nelson Riddle hit its artistic peak with three alhums. "In the Wee Small Hours," a 16-cut collection of classic torch songs sung in a quietly anguished baritone, was released in the spring of 1955. "Songs for Swingin' Lovers," released a year later, defined Mr. Sinatra in his adult "swinging" mode.

After "From Here to Eternity," Mr.

Sinatra's movie career boomed, with the roles many and varied. He played the perennial gambler Nathan Detroit in the film adaptation of the Broadway musical Guys and Dolls" (1955), a heroin addict in "The Man With the Golden Arm" the same year, and an Army investigator tracking a would-be assassin in the political thriller "The Manchurian Candidate" (1962).

Mr. Sinatra remained a top box office draw for nearly a decade, and his success as both singer and actor led the New York radio personality William B. Wil-liams to nickname him Chairman of the Board of show husiness. The name stuck

for the rest of his long career.
"Ocean's Eleven" (1960) was the selling novel about American G.I.'s in first of three Sinatra films to feature the bis daughter Nancy. high-living clique - nicknamed the Rat Pack — that included Dean Martin, Peter Lawford, Sammy Davis Jr. and Joey Bishop. The Rat Packers would appear together in three more light-

In April 1953 Mr Sinate, from 37, hearted capers: "Sequent: Tree" signed with Capitol Records. A cautious (1962), "Four for Texas" (1963) and deal, the contract was for only one year. "Robin and the Seven Hoods" (1964).

After supporting Adlai Stevenson's bid for the presidency in 1956, Mr. Sinatra worked avidly for John F. Reamed, in 1960 and supervised the newly elected president's inaugural gala in Washington in January 1961. But his pro-Kennedy sentiments cooled after the president canceled a weekend visit to Mr. Sinatra's house because the singer had played host to the Chicago mob boss, Sam Giancana, and his associates. By the 1970s, Mr. Sinatra had turned to the right. He became a supporter of Richard Nixon and Ronald Reagan.

His 50th birthday in 1965 was cel-ebrated with the release of two deliberately monumental albums, "September of My Years" and "A Man and His Music." an anthology of his career that

he narrated and sang.

Mr. Sinatra scored a double triumph
in 1966 when "A Man and His Music" was voted album of the year, and "Strangers in the Night," his first No. 1 single in 11 years, won record of the year. The string of hits continued with a Top 5 hit, "That's Life" (1966), and "Something Stupid" (1967), a duet with

In 1969, he had a substantial hit with "My Way." Along with "New York, New York," which he recorded for a three-disk set, "Trilogy: Past, Present, Future" (1980), it became one of the signature songs of his later years. The moment when Mr. Sinatra and his

style of music seemed the least fash-Marjory Douglas, Defender of Florida Everglades, Dies at 108 ionable was in the late 1960s, when the rock counterculture dominated popular music His marriage in 1966 to the across music. His marriage in 1966 to the actress Mia Farrow, then 20, seemed in part to be a search for a youthful connection. They were divorced in 1968.

In June 1971, Mr. Sinatra announced his retirement during a gala concert at the Dorothy Chandler Pavilion in Los Angeles, but it lasted only two years. He returned with the album 'Ol' Blue Eyes Is Back,' the title of which gave him his

#### BRIEFLY

#### North Korea Fails To Return Remains

PANMUNIOM, Korea — U.S. military officials accused North Korea on Friday of reneging on a promise to return remains believed to belong to two U.S. soldiers killed in the Korean War.

The officials said they traveled to this border village in the Demilitarized Zone to accept the remains. When no North Koreans showed up. they pulled back. "Their failure to comply with this humanitarian agreement is all the more disappointing," Major General Michael Hayden of the air force said. (AP)

#### Cambodia Talks Adjourn Quickly

PHNOM PENH - Cease-fire talks between the Cambodian government and a military team under the deposed co-prime minister, Prince Norodom Ranariddh, broke down soon after opening Friday because of a disagreement over a member of the prince's team.

The government side objected to the presence in Prince Ranariddh's five-member delegation of Long Sarin, a senior official from the Cambodian embassy in Bangkok. The government said that only military officers were eligible.

#### Pakistan Christians Clash With Police

LAHORE, Pakistan --- The police clashed with thousands of Christians on Friday who were calling for the repeal of hlasphemy laws that led to the suicide of a Roman Catholic bishop last week.

Witnesses said police used tear gas and sticks to control sections of a huge demonstration in the Punjabi capital, Lahore, against laws under which blasphemers can be ex-

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#### China Police Call For Explosives Curb

**REUING** — Chinese police ordered a crackdown Friday on explosives, the Xinhua press agency said, a move that followed a recent spate of deadly blasts.

"Work nnits using explosives must strictly abide by national reg-ulations and may not illegally manufacture, sell, buy, transport, store or use explosives, "Xinhua quoted a circular by the Ministry of Public Security as saying: It added that businesses losing

explosives would be held respon-(Reuters) h

#### ronmentalist who was known as the patcommercial interests were permitted to ron saint of the Florida Everglades for have their way with the unique wetlands that covers much of southern Florida.

NEW YORK - Marjory Stoneman Douglas, the spirited writer and enviher ceaseless campaign to preserve the fragile wetlands, died Thursday at her home in Miami. She was 108 years old.

The author of many short stories, novels and works of nonfiction, Mrs. Douglas was best known for ber 1947 call to arms, "The Everglades: River of Grass,"

which was at once a natural and political history and a prescient warning of what was to come if developers and other

The book became a best-seller and transformed public perception of the

Everglades preserved as Everglades Na- from heart disease.

H. D. Quigg, 86, UPI Reporter Who Covered Moon Landing

Sbe also helped lead the campaign in International, died Tuesday at St. Vin-1947 to have the central core of the cent's Medical Center of complications

Mr. Quigg was with General Douglas MacArthur in the Pacific during World War II, and in 1947 accompanied Admiral Richard Byrd on his expedition to transformed public perception of the wetlands, which was then considered by most people to be a useless swamp that should be drained and developed for farming and housing.

NEW YORK (AP) — H. D. (Doc) the Antarctic. Among the court cases that he covered were the trials of Jack Ruby, and the Chappaquiddick inquest involving Senator Edward Kennedy.

In 1976 he married for the fourth time, to Barbara Blakely Marx, who had been involving Senator Edward Kennedy.

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#### ART

# Max Ernst, Landscape Dreamer

By Michael Gibson International Herald Tribune

ARIS — Max Ernst lived in a number of houses, in France and the United States, and left his mark on many of them. None survived, but the exhibition now at the Pompidou Center \_ 'Max Ernst, Sculptures, Houses, Landscapes" - has managed to assemble some intriguing vestiges of three of them and is presenting them along with a body of re-lated sculptures, paintings and other works including sundry assemblages and such natural objects as large pebbles collected at the foot of a glacier and carved and/or painted by the artist.

According to Ernst (1891-1976), when he was a little boy he had occasional nightmares of figures emerging from the patterns on the door of the veneered cupboard at the foot of his bed. About 10 years later, in 1915, he discovered another kind of nightmare when he was drafted into the German Army.

These experiences appear to be echoed in his work, the first in his tendency to turn all kinds of chance patterns into an artistic Part of the facade of Max Ernst's form or presence — hence, for instance, his invention of frottage; the second in the way he was ultimately led to distance himself both physically and morally from any kind of organized group - and even from the Dada and Surrealist movements to which he had momentarily adhered.

The first of the houses represented here was a three-story villa in Eaubonne that Ernst shared with the poet Paul Eluard and the latter's wife, Gala (who would later marry Salvador Dali). Ernst covered the house from ground floor to roof beams with enigmatic oil paintings that were subsequently removed and transferred to canvas. They were then sold and have since been scattered around museums and private collections.

Most of them have been obtained on loan and can be seen together for the first time in the exhibition. Andre Breton and Michel Leiris discovered them in situ and perceived them — approvingly, we may suppose — as "an insolent provocation."

In 1938, Erust parted with the Surrealists

and, with Leonora Carrington, moved away from the tumult of Paris to a wine-grower's Esprit). Both artists yearned for tranquillity. Ernst decorated the inside of the house with part of the facade with cement sculptures section of this exhibition. representing mythic beings (a sphinx, a mermaid) and the undefinable, tronic creatures of his imagination.

innkeeper to settle outstanding accounts.

times, and in the '80s, despite an eleventh- seldorf Kunstsammlung from Sept. 5 to hour attempt by the Ministry of Culture, the Nov. 28.

ARTS



house in Saint-Martin d' Ardeche.

sculptures were either dismantled or destroyed. Ernst, meanwhile, made his way to the United States while Carrington, after a brush with psychosis in a mental institution, vanished from his life,

Ernst met Peggy Guggenheim in New York and they were hriefly married (from 1941 to 1943). A few years later, revelations made in 'Out of the Century: The Informal Memoirs of Peggy Guggenheim" serionsly compromised Ernst's position in New York society and he chose to move to Sedona, Arizona, with Dorothea Tanning in 1946,

HERE he and a hired laborer built a house that Ernst decorated with cement reliefs and surrounded with a number of sculptures, including the large and famous "Capricom." This house was also dismantled in due course and only a few of the reliefs have survived to be seen in this show.

Four years later Ernst and his wife returned to France, and in 1955 they settled in house in the spectacular little village of Huismes, near Chinon. As it happened, the Saint-Martin d'Ardeche (near Pont-Saint mayor of Huismes, Gilles Chauvelin, was a stone carver, and he and Ernst became friends and produced a number of works mural paintings and low reliefs and covered together. They are on view in the final

Ernst turned out an impressive number of works in bronze and stone over his lifetime - some of them very large indeed - but it Their tranquillity was short-lived, might reasonably be argued (in view of their however. At the outbreak of World War II, often massive volumes) that these are not so the French interned Ernst as an enemy alien. much sculptures as they are an outright Carrington, who was psycbologically del-transposition of the painter's imaginings icate, remained on her own in Saint-Martin into a three-dimensional form. His entire and by the time Erust escaped from a camp work might be regarded as a brilliant piece outside Marseille, she had fled, after having of iconographic creation, in which the artist

The exhibition remains at the Pompidou The house changed hands a number of Center until July 27 and moves to the Dus-

# The New Look of Vincent Perez

By Joan Dupont International Herald Tribune

ANNES, France - In qui m'aiment prendront le ing for ways to stretch," he said. train" (Those who love me and a group of old disciples, friends, train to Limoges to bury him. One woman misses the train and appears that he could help." later as they have never seen her, in a

made a mistake, so she's been work- Tedeschi, launched the young actor. ing on it. Now she's on her way."

#### CANNES FILM FESTIVAL

Not quite, for Viviane, as we get to see later when she showers, has budding breasts, but she basn't done quite all

Playing a transsexual is certainly a transmutation for Perez, and it came as a surprise to audiences at the Cannes film festival, where the movie opened the competition. "Definitely, it was a risk," the actor said, "but that's the only way to grow, to make the work personal, and that's what I've always been looking for. The trouble is, when you start as a jeune premier, they put you in a little box and want you to stay there."

Perez, who turns 34 next month, has an international career and lives between Paris and Los Angeles, where he made a splash in "The Crow: City of Angels." He is slight, tant and sprung for action, with something of the feline presence of the young Alain Delon; he has a mshed delivery, as if every moment counts.

He made his mark in 1989 as Christian, the pretty face who woos Roxane for Cyrano de Bergerac in Jean-Paul Rappeneau's movie; he was the tanned officer who breaks Catherine

"Indochine," and Isabelle Adjani's lover in Chereau's "La Reine Margot" "Viviane is a richer role than the part I played in 'La Reine Margot,' but Patrice Chereau's ''Ceux Patrice always knew that I was look-

In the '80s, he left the Paris Concan take the train), a famous artist dies servatory to audition for Chereau. "I had done work as a clown and in former lovers and their wives, take the commedia dell'arte, but I wanted to get out of the classic mode and felt

Chereau was already an innovative wig, spike heels, makeup. force in French theater, heading the "That's Viviane," said Vincent Theatre des Amandiers in Nanterre, force in French theater, heading the Perez. "She arrives late and nervous near Paris, when he developed his own - they're her friends, they're her school and company, with actors like family - hut for the first time, she is Perez and Pascal Greggory who are showing her new self. She was born a with him still. His "Hotel de France" boy and always thought that God in 1987, with Perez and Valeria Bruni-

> "Everybody saw me, and I got the part in 'Cyrano,' which was wonrealized what a strong experience making movies can be," he said. In "Cenx qui m'aiment," with

> Greggory, Jean-Louis Trintignant, and Charles Berling, Perez plays op-posite Bruni-Tedeschi again. "Valeria plays the woman Viviane admires," he said. "She wants to be her because she's a real woman, she has beautiful breasts and she's going to have a baby. You see, Viviane knows she'll never really be a woman or raise kids. She's in between; but she prefers being in between to being really wrong."

> When Perez talks about Viviane, it is not quite in the third person. Chereau kept his role a secret during the shooting, which started last May. "It was a secret for a year. There was no Vincent on the set, just Viviane." He came on the set three hours early to make up and find the right pitch to his voice. "I needed time to explore. Working in English taught me to im-

merse myself in a character. Perez, whose mother is German and father Spanish, was raised in a Swiss village; he left Switzerland for France and lost German as his primary language at 14. "Perhaps English became Deneuve's heart in Regis Wargnier's my new mother tongue," he says,



derful — just seeing Gerard De-pardieu move into that character, I Vincent Perez as Viviane in "Ceux qui m' aiment prendront le train."

but my roots are in France too." Viviane took awhile to emerge. "I needed a lot of self-confidence and trust in Patrice. One day it was all there: magic — something violent came out of me, and we all saw that Viviane really existed."

was Abel Ferrera who first thought of using Perez as a transsexual three years ago. "I did a photo shoot and I enjoyed the character that came out of me," Perez said, "but the movie didn't get made. Then when Patrice told me he was writing a new script and wanted to put me in the movie, I showed him those pictures. Six months later, he called and said, 'Viviane is born.' I thought, maybe I can't do it - but I kept my doubts to myself."

Perez feels that his progress as an acto, is about "being free and to be free, you have to be able to face your fears." He started on Viviane right after playing the daredevil Duc de Nevers in Philippe de Broca's "Le Bossu": "De Nevers felt he was above it all - that helped me a lot."

liaisons with farnous beauties, said that in creating Viviane he never worried about being thought of as an ef-feminate man. Joking, he opened his shirt and said, "See I'm really a man -they just glued those breasts on. But I played the part as a woman. I talked to women a lot, and my girlfriend helped. I talked to transsexuals too, and watched tapes." Yet, for weeks after the shooting stopped, he says he woke up feeling feminine, sleeping on his side, not his usual position.

The story of Dana International, the transsexual singer who recently created a scandal in Israel when she won the Eurovision song contest, draws a passionate response from him. "Can you imagine her solitude? She must be so proud, scared and lonely. Vivi-ane is like that — she's really very pure; she's a good girl.

'The idea of becoming a woman was impossible for me too, but this kind of challenge brings out new things in my acting. I used to feel you had to show, to bring things to people, hut it's good to let them steal from you. With Viviane I decided not to The actor, who has had famous show, just to be."

**ARTS** 

art's most

influential trade facts.

# The Other Whistler and the Art of Etching

By Grace Glueck New York Times Service

YEW YORK - If James McNeill Whistler (1834-1903) did not single-handedly revive the art of etching from its post-Rembrandt doldrums, he had much to do with repopularizing it. Convinced that prints could be as vital as paintings, he became a master of the medium, and there have been collectors so booked on his etchings and lithographs that they scarcely acknowledge his talent at the easel.

The scope of Whistler's innovative printmaking is evident in the show of 50 etchings and 31 lithographs at the National Academy Museum, parts of his acclaimed sets of views of France, drawn from the well-rounded collection of Whistler's prints at the Carnegie Museum of Art in Pittshurgh, and it makes clear the technical and artistic accomplishments of Whistler the etcher.

Whistler was born in Lowell, Massachusetts, but later became a Londoner by choice. He had always been interested in printmaking, experimenting with etching and lithography in his youth. Expelled from West Point for poor grades in chemistry, then dismissed from a joh with the U.S. Coast and Geodetic Survey for erratic attendance, he went to Paris at age 21 to study painting. He arrived at a time when the tide had turned again to etching as a fine-art medium, and he took it up eagerly, while pursuing his painting studies.
In fact, in the 1850s, his talents as an etcher were

more apparent than his prowess as a painter. After a walking tour of northern France, Luxembourg and the Rhineland with a friend in 1858, he produced "Twelve Etchings From Nature," later called "The French Set." The prints were full of details that reflected the powerful trend of realism championed by Gustave Courbet (1819-77).

Only a few are in this show, but they reveal a strong grasp of the etching technique as a medium of light and shadow. Whistler's awareness of Rem-brandt and other 17th-century Dutch masters is evident in a striking work from the series, "The Kitchen," a gloomy interior illuminated by a window set in a deep alcove. A lone woman stands at the window, back to the viewer, poignantly silhouetted by the light. In Whistler's time, it was the

most popular print of the group.
Yet he apparently considered his first important contribution to etching the group of prints known as the "Thames Set." produced in London, where he settled in 1858. The bustling life on the river was a symbol to him of the city's vitality. And the Dickensian mix of sailors and longshoremen, ships, docks, bars and crumbling warehouses lent itself 10 his realistic approach. His skill at drawing and use of the etching needle allowed him to shift at will from tight, meticulous rendering to a flowing freedom of line.

In "Black Lion Wharf" (1859), for example, an extraordinarily detailed row of hodgepodge structures stands on the riverbank, while the Thames rolls and rivermen. One idle sailor sits in the foreground. his arm resting on the gunwale of a boat.

Despite the massing of details, light fills this and other early Thames views, like the 1860 print "Rotherhithe" (a grungy neighborhood east of the Tower of London) that combines riverscape with portraiture. In it, two men relax on a dock in the close foreground; immediately behind them loom a wall and a maze of masts and rigging. The flat picture space was possibly derived from Whistler's study of Japanese prints. In scenes like these, he often allowed the emptiness of the sky to be reflected in a corresponding patch of water, enhancing the light while providing a calm foil for the

N his later years, Whistler turned from realism to a more impressionistic style, preferring low-key colors and the murky atmosphere of fog. From Japanese prints, he had begun to view paintings more as "arrangements" or harmonies than as factual reports.

In the early 1870s, he started his long series of nocturnes, which he defined as "arrangements of line, form and color," divested of "any outside sort of interest." He carried out the idea in prints as well as paintings, making his first strong venture into lithography in 1878.

In "Noctume: The River at Battersea," a small watercolorlike lithotint on hlue paper of that year, a lone fisherman or clam digger appears in the



Giovanni Boldini portrait of Whistler, 1867.

foreground of a hazy expanse of water with a hlurred but decorative silhonette of buildings on

the far bank of the Thames. He was moving toward the impressionistic style that came to full fruition in his wonderful Venetian series. He went to Venice in 1879 on a commission from the Fine Art Society of London for 12 etched views of the city. His was not the tourist's Venice. He drew courtyards, out-of-the-way canals, bridges and people, often working directly on an etching plate he carried with a fine needle or a dentist's tool. And he adopted a new style that seemed tailored to the Venetian environment and character.

#### **BOOKS**

EASY RIDERS, **RAGING BULLS:** How the Sex-Drugsand-Rock 'n' Roll Generation Saved Hollywood

By Peter Biskind. 506 pages. \$25. Simon and Schuster. Reviewed by Dennis Drabelle

DETER BISKIND'S devourable book is that rarity, a Hollywood exposé that you can read — mouth agape, slurping up scandal and titillation so fast you're in

danger of choking — without feeling ashamed of yourself. "Easy Riders, Raging Bulls" has a thesis, which goes something like this: The wave of screenwriters and directors that washed into Hollywood in the late 1960s and dominated the industry

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through much of the '70s — dire financial shape. Accord-turning out such fresh, inteling to Variety, 1969 marked ligent and entertaining movies as "The Graduate," "Bonnie and Clyde," "The Last Picture Show," "The Frerich million a week in 1946, Connection," "M\*A\*S\*H,"
"Nashville," "The Last Detail," "The Godfather," 'Mean Streets" and 'Chinatown"—went on to squander fidence in their own taste, alits gifts in a hinge of drug most any young director with addiction, megalomania and

Some of the details cited by Biskind, a veteran movie iournalist may be familiar - these meetings and propose the on-location hell of Francis whatever." Ford Coppola's "Apocalypse Some of the newcomers Now," or the gargantuan cost simply lucked out. As Bis-Ford Coppola's "Apocalypse overruns incurred by Michael kind tells it, the film critic Cimino in filming "Heaven's Peter Bogdanovich went to a Gate." a box-office disaster. screening in Hollywood. The But there is an enormous maverick director Roger Coramount of new material here, man "was sitting behind and the book's value lies in its him," Biskind writes. comprehensive picture of hubris and Schadenfreude, of tions. Corman knew his

hypertrophic flops.

rupted by absolute freedom. What vested so much con- Bogdanovich was, and Cortrol in young film-school grads and sound-stage director on 'The Wild Anschmoozers was panic among gels."" the moguls, Biskind writes.

plunged to a low of 15.8 miltion a week in 1971. With aging studio bosses and producers drained of con-

a hit (and several without one) could, in the words of the writer-director Paul Schrader, "just waltz in and have

"Someone made introducadulation and addiction, of byline from Esquire, asked talented men absolutely cor- him if he would be interested in writing for the movies.

writes, "the studios were in describes how Coppola, hav-

man hired him as his assistant

big names as Steve McQueen to work for him in "Apo-calypse Now," threw "his until all hut one lay on the sidewalk, shattered.

Another describes the director Roman Polanski, on hearing that the producer Robert Evans had been arrested for possessing 35 pounds (16 kilograms) of co-New York to Paris?"

For long stretches, the book reads like a hrief for the ducers who get Biskind's attention are so colossally this dreck stands as a perverse here, masterfully told. testimonial to the accuracy of his group portrait. The Dennis Drabelle, whose sourcing is scrupulous, and articles on the movies have

where a player denies a scur- appeared in the Atlantic The book is crammed with rilous tale about himself, Bis-

ing failed to persuade such Raging Bulls" with renewed nostalgia for the studio era, with its cinematic checks and halances. As Howard Hawks, five Oscars out the window, an old nonraging bull, pointed out to one of Biskind's sources, "The studio system worked because we couldn't be excessive, we couldo't just do what we wanted to do." More than that, in the '30s and '40s the studios were chockablock with people who loved caine, saying, "What was he what they were doing, a pastrying to do, make a line from sion reflected in the period's relatively high proportion of trim, well-crafted movies.

The excesses committed prosecution. With rare excep- by the cinematic '60s gentions, the directors and pro- eration paved the way for the comeback of the producer — "a new breed of hustler," in loathsome, so flawlessly Biskind's words, "who just egotistical, that one begins to smelled money." What we wonder if he doesn't have a are left with, after the failure weird interest in the worst and of the Easy Riders' revoluthe foulest. Yet he seems 10 tion, is a Hollywood in which have functioned as a kind of the average movie is pegged father-confessor to his sub- to the mind of a 12-year-old jects, and the very airing of all boy. The whole, sad story is

the moguls, Biskind writes.

'By the late '60s," Biskind memorable vignettes. One kind notes same.

Civilization magazines, wrote describes how Coppola, hav-

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K qui m' aiment prendront lett haisons with famous beauty, that in creating Viviane he lite;

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The story of Dana internation transsexual singer who recomated a scandal in Israel when the the Eurovision song contes & passionate response from him you imagine her solunde the be so proud, scared and look; ane is like that - she's reals, pure; she's a good girl. The idea of becoming and

was impossible for me too be kind of challenge brings on things in my coing lund of had to show to bring things up but it's good to let them see NOW WIST VIVILLE I decided a า**ภัยยพ**บวันธาติก ซ้อง

# of Etching



Bolden portrait of Whistler

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#### ART

# The Market Gets a Second Wind Price Is Right for Signature, Size and Subject

By Souren Melikian International Herald Tribune

market is on a high, so high that some are reminded of the heady days of 1990 that preceded the abrupt collapse in the autumn

Marilyn," a 1964 silk-screen portrait of Marilyn Monroe, underlines the ana- that look without seeing that Modigliani logy. In November 1988, 18 months before the first cracks appeared, another \$17 million had been paid at Sotheby's of its Japanese provenance, unfavorably for a 1959 Jasper Johns, appropriately titled "False Start."

The question that now haunts professionals is a simple one: Just how loog can supplies in 19th- and 20th-century avant-garde painting continue to dwin-dle and thus pusb up prices, without the market coming to a standstill?

In the traditionally revered schools, the appearance of anything good and large, with the names of Degas, Monet, et al. attached, triggers instant compe-

On Tuesday, in Christie's first sale ever

dealing solely with 20th-century art, the aesthetic categories, but to the desire tu four top prices went for Modigliani and buy Art with a capital A. Braque. Modigliani's "Woman in Plaid EW YORK — The entire art Dress," sold for \$5.39 million, belongs to even more. The face has those eeric eyes gave his sitters toward the end of his life. It made only \$4.4 million, chiefly because

> looked upon by would-be buyers. No such handicap hindered Braque's Fauve landscape of 1906, "Olive Tree Near l'Estaque," which displays the artist's typical strong outline and toned pinks and mauves. It sold for \$4.4 million. Minutes earlier, a still life in the near abstract Cubist style that Braque initiated, had gone for \$4.18 million. That prices so close to one another should be paid for two paintings so radically different demonstrates that the yearning for any substantial works carrying household names is not linked to

Big prices given for works deemed

'uncommercial' in the old days say just a 500-year-old tradition of European por- as much about the bullish market. A traiture. The frontal posture, rooted in Fauve view of "The Bridge at Chatou" Renaissance models, the expression of done by Maurice de Vlaminck in 1905, deep melancholy make it a timeless icon. dark and austere, nevertheless made it to The other Modigliani in the sale, one of \$3.3 million. The ultimate in austere art The \$17.3 million paid on Thursday at three versions of a seated young girl brilliantly sold is the surprising price brought by Alberto Giacometti's "Walking Man III." The cast of the spindly ligure, executed shortly after the model was conceived in 1950, climbed to \$2.97 million: Giacometti too is now treated as a classic of modern art.

At the end of a \$61 million sale, in which 45 of 52 works on offer jumped the hurdle of high estimates and assorted reserve prices, Christie's had good reason to be satisfied.

On Wednesday night, Sotheby's added the finer touches to the new profile of the market for what the auction house still calls Impressionisi and Modern Ari.

The pervading desire among huyers not to miss out on any work perceived as "important" on the triple basis of sig-nature, size and subject was amply borne out. A speciacular \$12.1 million was paid for Monet's "Grand Canal" after a long banle that pitched David Nash, at New York dealer and art consultant, against several other bidders. Painted in 1908, at the height of the artist's Neo-Impressionist phase, when Monet used much broader brushstrokes than in the 1870s and eliminated secondary details to a maximum, it illustrates an aspect of Monet's work long seen as derivative. It is now perceived as an intermediary stage on the path to modernity.

Other late Impressionists were well received. Renoir's portrait of Gabrielle painted in 1910, when the artist often displayed great clumsiness in the handling of arms and hands, went up to \$3.41 million. The large price owes something to the subject, a bare-breasted woman in Renoir's would-be erotic manner.

No such factor boosted another late Impressionist work, Although "Apres le Bain," done by Degas in 1896, shows a woman drying her body while lying on the side with her back turned to the viewer, the picture has a quasi-objective quality - the artist painted his model from a photograph he had taken. The simplified volume, the broader application of color typical of the later period, aroused interest without causing excitement. The nude matched its low estimate



Braque's Faure landscape of 1906, "Olive Tree Near l'Estaque," sold for \$4.4 million at Christie's.

There were other examples of interest's going hand in hand with cool self-control. A vase of flowers by van Gogh so perfunctorily done as to suggest some aborted essay discarded halfway through sold for \$4.07 million, just at the low estimate. Most tellingly, a rarity by Picasso did not trigger the wild competition one might have envisaged. The close-up view in oil on cardboard of Carles Casagemas lying in his coffin was painted in 1901, months after the artist's friend took his life after trying to shoot the woman who no longer wanted to live with him. Done in shades of blue, with echoes of van Gogh's work in the color scheme as well as in the nervous hrushwork, it can be seen as a fore-runner of the "Blue Period." It climbed to \$3.5 million, only slightly exceeding

the \$3.3 million low estimate. While restraint prevailed whenever paintings seemed overestimated, a deermined search for new venues said a lot

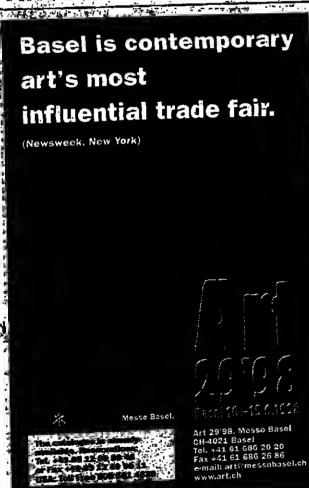
about the eagerness to buy. The periphery of Cubism was carefully explored, resulting in two record prices — \$607,500 for Theo Van Doesburg's still life of 1916, and \$1.487 million for "Idealistic Encounter," a more distant offshoot of Cubism revisited in 1928 in pseudo-naif manner by Oskar Schlemmer.

SIMILAR search was carried through the figural schools preceding and following Impressionism. It culminated in the record \$3.632 million given for Pierre Bounard's "La Cheminee." woman inspects her body and face in the mirror that rises above the chimneypiece. Bitterly disputed, it was bought for \$3.632 million by Simon de Pury, formerly of Sotheby's and now a dealer and art consultant in Geneva, who kept consulting with an invisible party on his mobile phone as the stakes were being raised.

Add the world record \$2.97 million paid for Courbet's portrait of "Jo, the Beautiful Irish Girl," painted in an aca-demic style, and all the indications are that the market for 19th- and 20th-century art as a whole is set to rise further.

The truly unknown quantity in the current auction equation is bow the new buyers, often coming from high-tecb business, will react. In the last three years they have been entering the art market on a scale without precedent, affecting every field from Chinese antiquities to rare European manuscripts. "The Grand Canal," for example, was bought by Nasb on bebalf of Paul Allen, a co-founder of Microsoft. All new buyers show greater readiness to pay buge prices because, by definition, they are not accustomed to a given level. But these buyers have sharper and quicker minds than most. With them, the art game promises to be more gripping than

#### ARTS



Monet's "Grand Canal" of 1908, the peak of his Neo-Impressionist phase.

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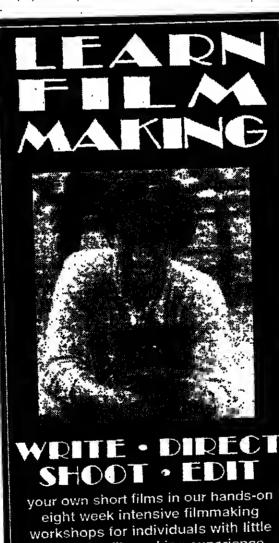
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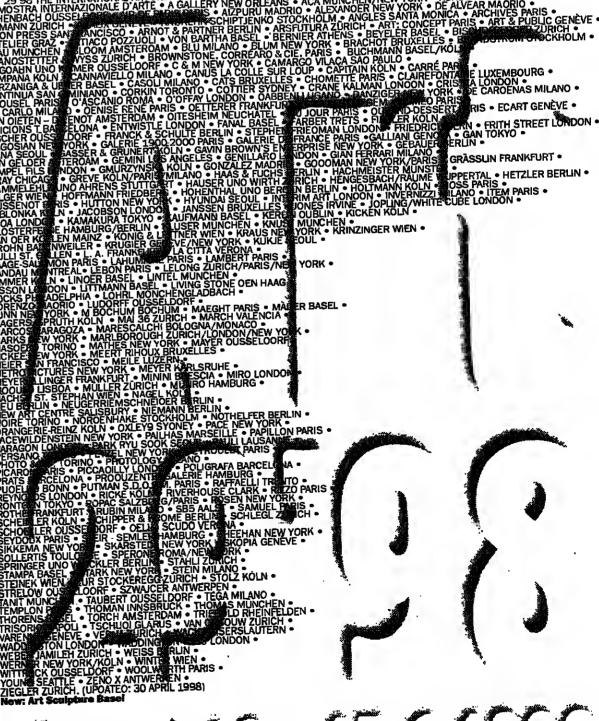
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#### **EDITORIALS/OPINION**

#### **Sunset for Suharto**

There are no magical answers to the has oot been as willing to close inpolitical and economic troubles ensolvent banks controlled by his family gulfing Indonesia. A lethal combinatioo of corruption, irresponsible economic management and autocratic leadership has brought the world's fourth-most-populous nation to the brink of chaos. But it is now clear that recovery cannot begin as long as President Suharto remains in power.

Like the shah of Iran two decades ago, and Ferdinand Marcos in the Philippines in 1986, Mr. Suharto faces a popular rebellioo and can retain power only through the use of military force against his countrymen.

· Eventually, even the army may turn against him in end the bloodshed . He can spare Indonesia further turmoil by yielding office to a government that quickly sets a date for free and fair elections.

Little about Mr. Suharto's 32-year rule would suggest he will act with compassion or in the public interest. Since Indonesia's economic meltdown began last year, he has moved primarily to protect his family's financial interests and to preserve his own power. There was oo reservoir of public support to carry him through the price rises produced by the collapse of the currency and the end of expensive subsidies - a reform demanded by the International Monetary Fund as the price of its bailout. Indonesians are particularly angry because Mr. Suharto

and business partners.

The only way for Indonesia to make needed reforms is to carry them out under a new government made up of trusted leaders. In South Korea a oewly elected leader, Kim Dae Jung, has persuaded citizens to accept measures that his predecessor could not. Mr. Suharto's suffocating rule has stunted Indonesian politics and left the country without seasoned opposition leaders. There is a danger that one of his obedieot associates will try to hold power if Mr. Suharto steps aside or that the army will try to run the country. The best way to avoid that is to move

swiftly to elections. The military should refuse to repress peaceful protests and turn its attention to stopping lonting and mob violence. offering special protection to Chinese shopkeepers, who are a common scapegoat in troubled times. The United States should immediately end all military training for Indooesian soldiers and freeze all weapons trans-

President Bill Clintoo has sent several delegations to Jakarta in receot months to press Mr. Suharto to reform. The only message left to send is to urge Mr. Suharto to resign and to tell his successors the bour for democracy in Indonesia has come.

- THE NEW YORK TIMES.

#### **Assurances for Pakistan**

In the race to keep Pakistan from following India into nuclear testing, the United States has three options that need to be bound into a cohereot

The first is to contain the damage. By wbatever persuasioo and armtwisting it takes, U.S. officials should try to ensure that new testing does oot lead to deployment. A higher position oo the ouclear ladder for one or both the South Asian countries should oot moot the ohligation of restraint. India may be bard to reach: Its pride is high, and as a nation that lives with mass poverty, it will oot yield easily even to punishing sanctions. But there are degrees of harm from the testing, and the lesser degrees are better.

Then, the United States and others must refocus on the security requirements of Pakistan. The Indian tests have made the Pakistanis, already feeling vulnerable, feel doubly so. The team President Bill Clintoo sent to Islamabad to argue abstinence from testing will surely be asked how the administratioo intends to extend protection.

Part of the answer is hy immediate release of the U.S. warplanes that Pakistan bought and paid for but was not allowed to take possession of because of its own lesser nuclear proclivities. Another part is to show the Pakistanis, by imposing severe sanctions on India, what they might suffer from their own testing. A further part lies with China, which in this instance stands closer to American policy than does friendly, democratic India. China is the strategic patron of Pakistan and the technical

Finally, the entire disarmament cause must be revived in pace and scope to match the newly demonstrated urgency. The declared nuclear countries have far to go to be able to lead by example rather than by exhortatioo. This was the explicit condition of the nuclear privilege granted the United States and the other declared powers in the basic noopro-

The test han treaty's lack of enforcement provisioos is painfully evideot. Still, its value in setting ouclear standards remains. The treaty does oot come formally into effect until India and at least 39 other oations with civilian ouclear power accept it. The U.S. Senate, which has been sitting on this treaty, should ratify it now.

- THE WASHINGTON POST.

## Close a Dirty Chapter

Despite the Clinton administratioo's promise to open Cold War archives, Ceotral American and Caribbean countries investigating recent ahuses have found it difficult to get informarioo they oeed. U.S. intelligence and diplomatic officials serving in Honduras, Haiti, El Salvador and Guatemala collected information about human rights, and many had relationships with the abusers. But when investigators in trials or truth commissions bave sought the documents, declassification has often beeo incomplete and tardy.

An effort to change this deserves the administration's full support. The Human Rights Information Act would give agencies 120 days to make declassification decisions oo requests from truth commissions and other official investigative panels. Currently the process can take years - Honduras has been waiting since 1993 for documents from the CIA.

The bill covers only Central American and Caribbean nations, but can and should be broadened. It would also require the agencies to lean toward openness, applying standards that have been used successfully in the receot releases of documents on the Kennedy assassination without revealing intelligence sources or methods. They require a precise definition of harm to national security before material can be withheld. This should combat the widespread practice of keeping material classified merely because it embarrasses the U.S. government. Administration officials say the bill

will let Congress dictate matters that should be the prerogative of the president. But the measure gives the president the final say.

They also argue that this administratioo has done more than any previous ooe to declassify documents and reveal past U.S. abuses. That is true, but since it is uncocumbered by Cold War abuses, and the old eoemy is gone, it should be doing more. Countries find it difficult enough to uncover the past, bring abusers to account and create respect for the law without having to wrestle with Washington along the

-THE NEW YORK TIMES.

#### Other Comment The Aspiring Irish

The agreement explicitly makes clear the legitimacy of the aspiration for a united Ireland and contemplates advocacy for that position in a peaceful and democratic way. And it commits both governments to facilitating that if at any time in the future a majority of the people of Northern Ireland conclude that they want to join a united Ireland. It should be up to the people of Northern Ireland to decide how they want to live their lives. If Americans believe anything, do we not believe in the right of self-determination? Do we not believe in the right of each individual to decide his or ber future and each society to decide its own future?

> - George Mitchell, in a speech to the National Press Club.

enabler of its testing capability.

liferation treaty.

# A Military Strike Will Teach Rogue India a Lesson

DUBAI — While the world slept, India detonated a series of nuclear tests signaling its determination to threaten the entire nonproliferation regime in the region. That India chose to detonate nuclear devices before President Bill Clintoo's visit this November to South Asia showed its defiance of world opinion in the age of Pax Amer-

The post-Cold War global regime has been predicated on the free flow of information and technology. This, we believed, was a world of markets, oot missiles. However, India chose to gamble more than \$30 billion of foreign investments on a series of tests that have united the nation behind its weak coalition government.

The Indian explosion is a direct challenge to the American-led efforts to arrive at a Comprehensive Test Ban Treaty and at a regime to control weapons of mass destruction.

To Pakistan, which suffered disintegration at the hands of India in 1971, it is a clear warning to desist from its support to the people of Jammu and Kashmir at the insistence of a nuclear India. China, surely, is uneasy, too.

As prime minister of Pakistan, I tried to convince Western leaders for more By Benazir Bhutto

than a decade that, in the absence of Western mediation, South Asia was plunging headlong into a proliferation race that Pakistan did not want and sought to prevent. I stressed that the 50year-old dispute over Kashmir, where an uprising had tied down 600,000 Indian troops, was leading to a dangerous flashpoint in South Asia. Alas, my pleadings failed to convince a Western world preoccupied with the Mideast peace talks, and the bloodshed in Bosnia, Rwanda and other parts of the world.

Western leaders believed, and told me so, that they preferred India and Pakistan to deal bilaterally with the dispute that threatened a ouclear race. This was a strategic error. It paved the way for India to come out openly as a nuclear power.

What is the Pakistani reaction? Pakistanis believe that the West will impose sanctions for some time but will ultimately acquiesce to India as a nuclear power. After a decade, the West will reward India, as a nuclear power, with a seat in the UN Security Council along with other members of the ouclear club.

Two years ago, when the Chinese and the French tested nuclear devices against the backdrop of the test-ban treaty talks, I received disturbing reports as prime minister. These reports indicated that a frustrated Indian military wanted to force Pakistan's nuclear hand before making a decision on a military solution of the Jammu and Kashmir dispute. A segment of the Indian military doubted whether Pakistan had ouclear capability or was bluffing to create a nuclear deterrence that did not exist. An Indian explosion, they believed, would force Pakistan to come into the open. If Pakistan did not have a nuclear capability, India coold consider a military solution of the

Kashmir dispute. Pakistan had not actually put to-gether a device, although it could do so, as a signal to the West of its support to a nooproliferation regime unless its security was threatened. An Indian detonation, our experts believed, would threaten Pakistan's security unless we could create an equilibrium through

Pakistan decided to open the option of a test by making the oecessary preparations to respond with a nuclear test of its own within 30 days unless the

West showed the will to stop India in its ouclear tracks.

Pakistan also decided that, if it was forced to detonate, it would follow up with a unilateral signing of the international agreements aimed at conStudent Re

Acres 1

trolling weapons of mass destruction. This is surely a nightmare situation for the West. What can the West do? Doling out military and economic assistance can shore up Pakistan's security for a decade. But as Pakistan learned in the aftermath of the Soviet occupation of Afghanistan, not more. Nor can a West that failed to prevent the Indian test guarantee that a weak Indian coalition government rashly seeking popular support would not equally rashly seek a nuclear war in South Asia.

I am not a military expert. But I believe sanctioos are not simply enough. Rogue nations that defy world opinioo ought to be taught a lesson. If a pre-emptive military strike is possible to neutralize India's nuclear capability, that is the response that is necessary.

The writer is leader of the opposition in Pakistan. She contributed this comment to Global Viewpoint (Los Angeles

#### The West Drove India Down the Nuclear Road

By A.M. Rosenthal

NEW YORK — The decision was made by India, and India will pay the economic price. But Americans should understand that it was the West, particularly the United States, that built the policy road leading to the In-

dian underground explosions. The utter shock in Wasbington shows more than an intelligence failure. It shows attitudes about India are the same Western musb of arrogance, ignorance and coodescension that they have been for the half century since Indian independence.

Just as plainly it shows the danger of the new ingredient that President Bill Clintoo added - the drive to make China the partner of America in the last years of this century and all the oext, partner in trade, tecboology, honing the capabilines of Chinese armed forces, and in security strategy that will affect all Asia and the Pacific. Think of yourself as Indian,

lightedly approve of the ou-clear tests that put such a startled face oo Washington. fonls? Parity betweeo onr bil-lion and their 132 million, our buge scientific establishment Look around. Pakistan on the border, created by the 1947 partition, is almost entirely anism?

Muslim, about 132 million. In-dia has about 850 million Hindus and 120 million Muslims. India has been hasically democratic since independence, and Pakistan basically aothoritarian. Since partition, three wars

have been fought between them. Another is possible any time — over India's possessioo of Muslim Kashmir, or religious massacres in either country, or suspicioo so deep they hleed for it. Both have nuclear-weapoo

capacity and oever submitted to oo-testing demands from nnclear powers finished with all the tests they needed. Washington lectures us:

Parity should exist between Inone of the millions who de- dia and Pakistan. Are we feuse minister says China is

buge scientific establishment and their puny one, our democracy and their anthoritari-

We have a larger army, but these Pakistanis fight like bell. We can defeat them in cooventional war — if only their ally China does not charge in to help them.

And this is the nerve-racking part — China sells nuclear technology and missile know-bow to Pakistan. The United States does not penalize

China sliced up our army in 1962 and took a counk of our Himalayan border land. China woo't give it back.

Indian intelligence takes fewer daily naps than American, hut are we sure China can never surprise ns again and that if it were losing it would never ever use nukes? Our Socialist de-

our most dangerous opponent. But listen in Mr. Clinion talk of his priority — American de-mocraey and Chinese dictatorship knitting together in trade and security strategy. What strategy? Was India

consulted, even thought I lived four years in India as a correspondent. Washing-too's policy was a little pat oo

the head, or a scolding finger and still is. I wish the tests had not been made. They will burden India's economy - more arms, few foreign loans, less investment, much denunciation.

The nationalist party heading the coalition government runs counter to my bopes for

It is xenophohic about foreign investment, has a history of Muslim-baiting and maintains extremist Hindu brancbes, including one headed hy a Bombay nasty who admires

Indians say that as a member

of a shaky coalition that depends on ceotrists, the party is more moderate. We shall see.

Certainly, Prime Minister Atal Bihari Vajpayee has do-mestic political motives strengthening his party so that he does not wake up thrown out by Parliament. But I think he bad more objectives for the tests. Gaining prestige among Third World powers was one. Another was to shout into the American ear: "Look at us, speak to us, we are India."

Is Mr. Clintoo wise or brave enough to reconsider his frantic pursuit of China and the money U.S. businesses bope

Beijing will pour over them? Well, at least he can get the sbock off his face about Indian independence of action, the murk out of his mind; it's about

Ordinary Indians do have hopes and fears about their country. They are not in a silence mood. The head-patting decades are over.

The New York Times.

# The Numbers Come Out of a Hat - Israel Needs Guarantees

WASHINGTON — When Secretary of State withdrawals with Prime Minister Benjamin Netanyahu of Israel, the Israelis came to the meetings with maps. The State Depart-

ment came in with a oumber. The Israelis showed which hill here and which ridge there they could safely afford to give up. Added up, it came to 9 percent of the West Bank. The U.S. side said it must be 13.1 percent. The relation of the latter

number in anything in the real world is purely coincidental. It was picked because the Palestinian leader Yasser Arafat firmed this principle. At 11 P.M. don, Mrs. Albright tells Israel

Madeleine Albright and ber already bas 26.9 percent of the on Jan. 15, 1997, as Mr. Net-"peace team" weot to London territories, and 13.1 would pro- anyahu's cabinet was agonizing last week to negotiate territorial duce a nice round number: 40.0. over the proposed withdrawal

By Charles Krauthammer

(And the State Department accuses Mr. Netanyahu of lacking seriousness in these talks.) But even more significant

than the absurd arbitrariness of this oumber is its very existence. Under the Oslo accords,

Indeed, just 16 months ago the Clinton administration reaf-

from Hebron, it received an urgent memo from the U.S. ambassador to Israel, Martin Indyk, stating the official U.S. position that "further redeployment phases are issues for implementation by Israel rather than issues for negotiation with the Palestinians. The letters of assurance which Secretary Christopher intends to provide to both parties also refer to the process of fur-

Sixteeo months later in Loo-

that its 9 percent is 00 good. The sition is that under the Oslo The answer is oo."

So now we have a crisis. And though it was manufactured by the State Department to put pressure on Mr. Netanyahu, it reveals instead a crisis of credibility for the Clintoo administratioo: How can Israel make ever-more dangerous coocessions to the Palestinians when the American assurances it receives to offset those concessions are so perishable?

In Washington, Mrs. Albright gave a hastily arranged speech to explain ber position. Its essential, tendentious theme was that all of the problems in the peace process are traceable to Mr. Netanyahu. Everything has gone to pieces, she averred, "in just two years." You don't oeed to be a CIA code-breaker to understand what that means: Mr. Netanyahu was elected two years ago.

The historic Hebron withdrawal in which Mr. Netanyahu single-handedly brought Likud and the Israeli right into the landfor-peace Oslo process received nary a word. That is because the only praise offered in her speech was reserved for Mr. Arafat.

Mrs. Albright credits him for making "substantial changes in (his) negotiating position." He had wanted a 30 percent Israeli withdrawal but was willing to accept 13.1. But the U.S. po-

withdrawal must be 13.1 per- accords Mr. Arafat has no say cent - or else she walks away. one way or the other in the size Sbe gives Mr. Netanyahu three of these withdrawals. He picked days to give his answer. He tells her: "I don't need three days."

30 percent ont of a hat. It appears nowbere in Oslo. It appears nowbere in Oslo. pears nowhere anywhere. He could have picked 60 percent.

But Mrs. Albright did not just praise Mr. Arafat for changing his negotiating position on an issue that Washington has declared is oot his to negotiate. She also studiously omitted any reference to the solemn commitments that Mr. Arafat made in previous negotiations and has systematically violated. He has not changed the Palestinian charter calling for Israel's destructioo; be bas refused to extradite terrorists; be has built an army more than twice the size that Oslo permits; his Palestinian Anthority conducts a vile media campaign of anti-Semitic and ann-Israel incitement. The list is long. On all these, utter silence.

However this crisis ends. Israel needs a U.S. assurance that after this, it will not be browbeaten yet again over yet another interim redeployment - that this 9 or 11 or 13 percent withdrawal is the very last until Israel and the Palestinians determine in "final status" talks the permanent frontier between them.

The assurance is needed. But the question remains: Are the assurances this administration gives as Israel is in life-anddeath negotiations worth the paper they are written on? Washington Post Writers Group

#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Japan's Protest ST. PETERSBURG - The re-

port that the United States, after the brilliant victory over the Spanish fleet at Manila, intend to seize the Philippine Islands, has given umbrage to Japan, which means to protest vigorously against such a measure. The Government of the Mikado has already addressed itself to the Russian Cabinet, from which it seeks countenance in this step. It is believed that not only Russia, but also France and Germany. will decline to allow the United States to occupy these islands.

1923: Bulgaria's Labor

PARIS - [The Herald says in an Editorial:] Bulgaria mohil-All Bulgarian subjects were subject to compulsory labor. The Government emphasized the fact that the venture was not

forty-five years a nation, and the people realise the urgent necessity of industrial development. The willingness of the people to solve their oational problems hy hard work resulted greatly to their advantage. It was an important fact in the provisional reduction by the Allies of Bulgaria's reparation charges.

#### 1948: Arab Attack

TEL AVIV - The newly-declared Jewish State of Israel was invaded today [May 15] from north and south, shelled from the east and bombed and machine-gunned from the air. Haganah, now the Jewish Army, said that Lebanese regular army forces attacked across the border from the north, regular Egyptian ised her labor three years ago. forces drove into the Negeh in an attack on at least one Jewish settlement and Transjordan's 🥐 Arab legion was shelling three eastern settlements along the communistic. Bulgaria is only · Jordan Valley border.

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deployments" are left to Israel's discretion, unlike the "final

these interim "further restatus" talks at which Israel and the Palestinians will together negotiate their final borders.

# ther redeployments as an Israeli

# **Balancing Trade and Sea Turtles**

By Kathryn S. Fuller

U.S. legal protections for endangered sea turtles is a powerful reminder how intertwined trade and environmental policies have become. The ruling is also an indication that the WTO, an institution whose principal mission is free trade, may be the wroog forum for resolving trade-environment conflicts when they arise.

Sea turtles are an internationally protected species, endangered around the world from habitat loss and demand for their decorative shell. They became an international trade issue with the advent of mechanized shrimp trawling, which by 1990 caused more than a 100,000 adult turtles to drown each year in nets - a rate higher than from all other human causes combined.

The loss of these animals, it turned out, was easily prevented. A simple metal grid, called a turtle excluder device, proved effective in keeping turtles from becoming entangled in shrimp nets. Turtle excluders were inexpensive, easy to install and, with design improvements, became standard practice in more than a dozen countries.

The United States began requiring its domestic shrimp industry to use turtle excluders in the late 1980s. When it applied an identical standard to countries selling shrimp in U.S. markets, four Asian countries filed a complaint before the WTO. Malaysia, Thailand, India and Pakistan claimed the requirement deprived them of market access guaranteed under most-favored-nation status.

In a recent dispute ruling, the WTO agreed. It

beld that conditioning market access on use of

turtle excluders constituted an unfair trade practice, despite WTO rules that allow exceptions for protection of animal life and exhaustible natural resources. Absent a successful appeal, the U.S. must reopen its markets to shrimp whose capture kills sea turtles, or risk fines and countervailing duties. The WTO's decision on sea turtles is the latest in a series of trade rulings that have held squarely against environmental safeguards. Unlike earlier

reformulated gasoline, however, there bas been no claim here of "green protectionism" or of expensive, impractical solutions being unfairly imposed on developing countries.

installed for as little as \$100 a boat. The United

disputes over laws for dolphin-safe tuna and

WASHINGTON — A receot ruling by the World Trade Organization striking down devices directly through its aid programs, and U.S. corporations that trade in shrimp bave offered them free of charge to their suppliers - including those in the four countries that filed the complaint. Linking market access to use of turtle ex-

responsibility.

cluders is an effort to promote market distinctions among goods based on the environmental impacts of their production. Similar rules could, for example, also limit timber imports to sustainably managed sources while barring those from clearcut rain forests. As environmental harms increasingly are market-driven, and as markets globalize, it is crucial that international trade rules recognize such distinctions. The WTO's reluctance to do so is rooted in its

fear that environmental standards could easily spawn an unmanageable number of new barriers to trade. While this is not an idle concern, it is also true that our trading system must find ways to operate within environmental limits. Striking the right balance will not be easy, but the sea turtle raling, which seems to discount environmental concerns, has not moved as in the right direction.

The decision underscores the need for basic changes in how trade and environment conflicts are resolved. Under the current system, the WTO acts as a judge in disputes in which it has a clear institutional bias. The results have been sharply one-sided. Neither the WTO, nor its predecessor, the GATT, has ever upheld a trade restriction based on an environmental concern. Future tradeenvironment conflicts should be referred to a

neutral tribunal. Absent an impartial tribunal, environmental laws face continued erosion, and the WTO, further loss of credibility. With a view to this risk, the chief trade negotiator for the European Union, Sir Leon Brittan, called recently for a high-level meeting to find more credible ways of balancing trade and environment imperatives. A ministerial trade conference in Geneva that opens Mooday presents that opportunity. Governments meeting there should establish an alternative forum, one which will ensure that the benefits of free trade do

The writer is president of World Wildlife Fund To the contrary, turtle excluder devices can be in the United States. She contributed this comment to the International Herald Tribune.

not come at environmental expense.

05:1 0 110A

# a a Lesson

I showed the will to stop lodge ear tracks.

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am not a military expert by 

The writer is leader of the opposite Pakistan. She contributed his a rat to Giobai Viewpoint Lashna

# ar Road

of a shaky coalition that pends on centrists, the part more moderate. We shall be Certainly. Prime Mine And Bihari Vajpaye has messic political mones. Strengthening his name of the pends Strengthening his pany set he coes not wake up the out by Parliament Builde he had more objective in tests. Gaining presuge and Traind World powers was Amorber was to shout mor American ear. "Look at speak to us, we are link Is Mr. Chains where enengy to teconomic francisc pursuit of China mile

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# International Herald Tribune A Special Report



# May '68

# Student Revolt in Paris Lasted Barely a Month, and a Lifetime

By Joseph Fitchett International Herald Tribune

uddenly, the world focused on Paris. In modern French history, May 68 is probably the bestknown date — perhaps the only one that is recognized around the world. The monthlong student revolt on the Left Bank in Paris during that time fired imaginations everywhere and still does. Its slogans, stenciled on the city's walls, laminated themselves onto minds in a new utopian capital whose rules would be: "It is forbidden to forbid," "Under the paving stones, the beach" and, perhaps most prophetic of all, "Roo, com-rade, the old world is catching up with Those heady spring days and nights of student power in the streets created an ieon to the French specialty of revolution.

The situation of young people then was unterly different from today's mood of economic and social constraints. The economy was booming. Jobs were so plentiful that many young people thought it was careerism — a failure of imagination — to get a job. A cure had been found for syphilis, the birth-control pill was available, but the sexual revolution was confined to coclaves of hippiedom in the United States. For

France, Jean-Luc Godard's movie "Weekend" with its mocking eye on long, immobile lines of traffic and bickering couples was easily read by cinema-literate French youth as a picture of their society's real nature: a world without sponianeity, even in its

Goading many young people was a frustrated, almost guilty feeling of living privileged lives that deprived them an all-important opportunity: the chance to prove themselves, as other generations had done, in violent political action.

Leftist students, often the offspring of activists in the 1930s, had been weaned on stories of the Popular Front, of power in the streets and finally of World War II exploits by the then-untarnished resistance movement, Most students felt that they were being educated for a society that was replacing political idealism and tragedy with consumer goods; tracts, with comic books and billboards; revolution, with material progress. A generation that felt secure enough, perhaps unconsciously, to afford adventure felt deprived of the thrills of history that had always been considered the birthright of French students. The attention given the young Regis Debray, fighting alongside Cuban revolutionaries until he was cap-

tured by the Peruvian armed forces in with siekened dread when assassina-1967, underscored how rare such adventures had become.

As study as other grown-ups, political parties seemed to give ideology a bad name. Even so, utopian theoresicians could count on student response to the broad theme of leftist revolution as an exciting myth that could be modemized. Unknowingly, the world was heading into an epic moment of generational struggle.

T WAS THE best and the worst of times, as Dickens said of an earlier French Revolution. This time is was global. Across Europe and the United States, protest movements, usually with students in the vanguard, rocked seemingly immutable power structures.

The worst was the violence. The Prague Spring of liberal communism in Czechoslovakia was to die under the tanks of a Soviet invasion in the late summer of 1968. The Vietnam war and. in its own way, the Arab-Israeli war won by Israel less than a year-before were felt by many young people to be brutalizing games of power. A Berlin protest against the shah of Iran resulted in the death of a German student demonstra-Twice in 1968 Americans recled

tions cut down two of their best: the black civil rights champion Martin Luther King and then Robert Kennedy, younger bruther of the slain President John Kennedy and himself a leading candidate for the presidency.

The best was the idealism. Terrorism was not yet current, even though some young French leftists had worked clandestinely for the recently victorious Algerian revolution. In most countries, the student revolts blew through their nations without death. Often the trouble was confined to campus sit-ins, as it was initially in places as different as Rome. Mexico City and New York City, where the first confrontation of all saw the Students for a Democratic Societyseize buildings at Columbia University in April. That event passed almost unnoticed in France.

But there are hidden global tides in revolutions just as in economics, and young people in most industrial countries were boiling beneath the surface.

The postwar order was cracking, in both blocs, as shown by the Prague Spring and the freedom riders in the United

France was at peace. Nuclear terrors had abated since the Cuban missile erisis five years earlier. Sensing that the

chafed at the rule of old men. De Gaulle himself acknowledged afterward that he was so old, so tired that he felt himself becoming a second Petain in terms of political overcautiousness.

OLITICS, particularly the incendiary sort that has periodically sent flames into the sky, took on more importance because there was so little entertainment. After years of a single television channel, France was finally getting a second one, but both were run by a stuffy state monopoly and staffed by state employees with no protection against government interference. There were few drugs, and no pop music to speak of. Organizing a foreign trip involved tedious formalines - and was too expensive for most people. Book and press censorship was active. French students were a revolution waiting for a

'France is bored," Le Monde commented in March, discussing how easily the country had fallen into the routine of steady economic growth.

Boredom bred explosion and overnight the country collapsed into near-anarchy when the students' revolt in Paris fused with frustrations among

industrial workers that the fruits of the economic boom were not being shared

France Approaches Paralysis; De Gaulle Weighing Reshuffle" headlined the International Herald Tribune on May 21. Industry was strikebound, the paper noted dutifully, saving its relish for the plight of Parisians. The city gradually slipped into an eerie quiet as gasoline ran out because of strikes by delivery truckers and by power workers, which paralyzed gas stations' electric pumps - and hoarding.

Long distance phone calls were not taken," the paper reported, because in those days an operator at the state-run PTT was needed for an international call. The operators were on strike, too.

In the sunny days and warm spring nights, Paris seemed to revert to a more bucolic era. Dogs started to live in the streets, well fed as uncollected garbago mounted in piles higher than a man's

Those busbands who could sent their wives out of the country, just bearing an airline strike and wearing several layers of fur coats and bracelets up to their elbows. The French, it seemed, were taking an early vacation and posting a notice: "Closed for revolutionary ex-

PARIS, TUESDAY MAY 21, 1968

# Unions Say 6 Million Strike

# France Approaches Paralysis; De Gaulle Weighing Reshuffle

#### **Ministers** Consulted On Crisis

By Ronald Koven PARIS, May 20.—Underlining the rearity with which he views the French-Isbor crisis. President aries de Gaulle today started to sak for their views on dealing with the current turnoil.

Their answers could determine whether they survive a sweepling cabinet shuffle, which reliable sources say Oen. de Gaulle is seri-

ously considering.

The purpose would be to present a new, more liberal face of his regime to the strike-paralyzed country as part of a package to

restore calm.

For Gen. de Gaulle, the problem with the reshuffle is to find a formula so that it does not appear as a surrender to the strikers. Gen. de Gaulle dislikes nothing so much as appearing to bow to outside presas appearing a low obscute the sure. The sources say the cabinet changes will be much broader and reach much further down inside the government than anything yet snother of

spoken of.
There is no question of replacing rime is no question of replacing Prime Minister Georges Pouncious, but a number of younger figures from outside the traditional politi-cal world and known for their liberalism and competence are reportedly being actively consider-ed for posts. ed for posts.

The search for new faces is

Americans Ambushed



TRANSPORT—With rail service halted, army trucks brought commuters into Paris.

#### Gold Up to \$42.30; Franc Supported

By John M. Lee Frenci: strikes brought con-fusion in European financial nurkets today and helped push the price of gold to another high of \$42.30 an ounce. The gold market was active particularly to Zurich, where there was a heavy French de-mand for gold coins. Foreign exchange dealings were hobbled by erratic communications and by early closings of Paris banks and the Bourse.

There was no firm quotation for the French franc from French banks. Market sources said the Bank of France had intervened in the market at 495 and at 495 france to the dollar to keep the rate stendy. The foreign exchange dealer of a big American bank in London said: "For a time, we were refusing to buy francs be-cause of the strikes and rumors. It's not that we dis-Common Market, asked: there's the problem of delivery. The pound movel up from Friday's record low of \$2.3854 to about \$2.3878. Then it weakened to \$2.3853, a new low, and moved up to close at

Most of the interest centered on the free market for gold.

where the price has risen quickly in a week by almost \$3 an ounce. The price last

Monday was \$39.50. The price on Friday was \$41.50.

Some observers thought over the weekend that a temporary gold price ceiling had been reached on Friday when an attempt by dealers to lix the erises from distrust not only of the value of the dollar but the value of almost any paper currency.

Gold analysis also saw the Prench strikes as a consequence of Gen. Charles de Gaulle's

price at \$42 brought out sellers and sent the price down slightly. policy of lorgoing recognic ex-pulsion and instead accumulat-ing gold for his economic and political manetivers against the However, the Prench disturb-United States. United States.

In London, desiers said the price was "obviously on very ilim ground" although the rising price was inducing some profit-taking.

The London price was set at 25th the morning and was rusted. inces attracted more buyers into the market today, lending support in the view that the continuing demand for gold

EEC Shoe Tried \$42 this morning and was roused \$42.30 this alternoon On Other Foot The important question in the gold market is whether the LONDON, MOT 20 (UPI).gap between the free market price and the official price of \$35 an ounce widens to the point where bellet in the offi-Veteran Labor party politician Emanuel Shinwell, 84, ques-

tioning Foreign Secretary Micial price (and in the value of the U.S. dollar) is impaired. chael Stewart in the House of Commons today about Britain's Franc Weaker NEW YORK, May 20 (UPI).

The French franc weakened further on the foreign exchange "In view of the state of affairs in France at the present moment, would you send a measage to Gen. de Gaptie in-

market here today after con-tinued pressure on the currency in European money centers. ments of leading New York banks were quoting the franc at a range of 20.185 cents to 20.23 cents, compared to 20.255 cents on Friday and 20.27 cents

Are Scarce By James Goldsborough PARIS, May 20.-Prance ap-

strike movement generalized to embrace several million workers. Only a few fragile links of comside world.
The altuation deteriorated

Money, Gas,

Some Foods

rapidly, provoking a run on stores and banks, and by the day's end there were abortages of money, gas and some foods. On the eve of parliamentary de-

bate on government censure, the generalization of the protest strike reached what the unions said was eix million workers. The strike has touched almost every sector of the

The Paris region, with 16 per-cent of France's population, was hardest hit. Its intricate machinehardest hit. Its intricate machine-ry of supply, transportation and communication was badly crippled. Motor traffic, the only major form of transportation left, barely moved. It took hours to cross town. During rush hours, motorists took to the sidewalks and created jams

to the sidewalks and created jams there. Gas stations were runoling out of gas by noon and cars were etailed in long lines.

Taxis, the only form of public transportation left today, were to go on strike Wednesday, the day the censure motion is voted. Army trucks were brought in to bely transport commoters, but stalled in

traffic that often moved slower than pedestrions.

Tourists Stranded American and British tourists clustered around their embassles for help and money to get home.

The strike, which started last week, picked up momentum today as workers returned to plants following the weekend and, in most cases, voted to strike and occupy rather than return to work.

The mining unions struck.

France's main ports were strace'ed
by longshoremen. The 22,000
workers at Michelio Tire occupied the plant in Clermont-Ferrand. Several oil refineries, including the 2.000-man Shell plant ocar Mar-scilles, closed down. — mational Harvester was struck, the hoge Sud-Aviation plant of Rochefort was closed; all the major indus-tries, including metallurgy, chemi-cals, textiles, aeronautics and automaking, were hard hit.

Services at Standstill The bus, train, post office, tele-phone, telegraph, Metro and air-line services of France remained distance phone calls were not taken. Only a few planes landed at Le Bourget airport and none landed at Orly, Bordeaux and Marseilles airports were closed. Airlines around the world were

(Continued on Page 2, Col. 7)

#### 15 Killed in Cairo Trying To See Virgin's Apparition

CAIRO, May 26 (UPI).—Egyp- ed, and were trampled on by that spiritual leaders took ection others." tonight in defuse a tense atmos-phere of religious hysteria over reports of new apparitions by the teaving only a shadowy outline on

Virgin Mary.

Piftien persons were trampled to Today, police and civilian civil death yesterday when thousands defense workers sealed off the tried to force their any into the church, which is about ten miles Archangel Michael's Church, where from Zeitoun, scene of earlier althe apparitions were said to have leged apparitions. aken place. The Copile patriarchale pro-A spokesman for the Copile nounced as genuine a series of ap-

A spokeemae for the Copic manner as ground a series of ap-christian Church warned the four parcht visitations by the Virgin million faithful to disregard which started in a church there "rummas" about the new reported April 2. Nothing has been seen sightings until an official state-ment was issued.

As the excitement mounted, a

# Aides of Hanoi And U.S. to See De Gaulle Today FARES, May 20.—President Charles de Gaulle will hold separate meetings tomorrow with the heads of the U.S. and North Vietnamess yesterdays as new fighting broke out never the Rhe Bann out with the heads of the U.S. and North Vietnamess yesterdays as new fighting the court of the North Vietnames of the Sanh area and North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the court of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames yesterdays as new fighting the discussion of the North Vietnames of the North Vietnames of the North Vietnames divisions that in January and the North Vietnames divisions that the North Vietnames divisions that we have to make the North Vietnames divisions that the North Vietnames divisions th

MONEY-Many Paris banks temperarily ran out of eash, eut customer

**Brief Stewart on Parley** American Ambushed

LONDON, May 20 (AP)—Two
American envoys flew in from
British authorities, who have been
Parks today and gave Foreign
Parks today and gave Foreign
Parks today and gave Foreign
Secretary Michael Stewart an appreciations between
Praisal of the conversations between
Praisal of the conversations between
Ambassador Averell Harriman of
Ambassador Averell Harriman of
Ambassador Averell Harriman of
Ambassador Averell Harriman of
Americans Ambushed

In the first action, a North Vietnames force of about 150 men attacked the Marines plant the conference remains very
that the conference remains very
that the conference remains very
that the maneuvering phase, with
much Thuy, predictably, sticking
of North Vietnam.

This is that there can be no neropost.

Punitive Induction Issue

Drafting of War Protesters

High Court Agrees to Weigh



forming him that we are not

prepared in enter the Euro-

pean Economic Community un-

til France puts its affairs in

Mr. Stewart smilingly re-

plied "No."

# It Was Child's Play to Seize and Barricade the Latin Quarter HE FIRST surprise was how restricted the students to take charge without adult aposition and the students to the students to the students to the students helicated the

proval: buildings, then streets. finally the Latin Quarter, together with schools and factories across the country. Paris street skirmishing erupted May 3, a Friday and two days after the trade unions' traditional May Day parade.
The flash point occurred the following Friday, May 10, the oight of the barricades. Students fought riot police for 12 hours in the Rue Gay Lussac and nearly 1,500 people were hurt, a third of themseriously. Of these, 250 were policemen. When the police retreated, the barricades were still there.

Workers' unions, although suspicious of student adveotures, felt compelled to call for a general strike. In rapid order, industries and government services halted because student-sparked sit-ins paralyzed offices and factories. By Friday, May 24, the government was on the run and President de Gaulle made things worse with a poor speech that was a barely disguised attempt to launch a presidential plehiscite, a traditional tactic for French leaders. This time it

Paris Explodes Into the Worst Violence Yet," said the headline above a report that student power had broken the will of the police. It had taken only three weeks for a passage to the new commune of Paris — the moment of liberation, political and personal, at the heart of the enduring mystique of May '68.

It was so easy partly because the

popular resistance to overturn oppression. Organizing cells and daily political guidance, mimeographing tracts and pasting up posters — these drills were second nature to many students. Leftists had relegated women to the 'rank and filing cabinets," in a famous phrase of the time. But that role did oot keep this geoeration — which had not yet signed on for the first wave of womeo's liberatioo - from flocking unquestioningly to a street war that justified hattlefield romance.

This generation enjoyed special advantages. A slightly older group of radicals in Strasbourg, known as the Situationists, had studied the conditions for a postmodern revolution that would seize power by outwitting the authorities, oot by force of arms in the Leninist way. The goal for society became "autonomy," in other words, total liberation from old hierarchical organization in a society humanly mature and technologically sophisticated enough for people to handle their own actions responsibly. Class struggle existed only for those too dumb to understand the oew world, and the new revolution needed oo vanguard party to enforce discipline and dictatorship. Instead of the classic system of marshals to keep order in demonstrations, leaders used hullhorns to say, "You are in charge of yourselves; let no one prevent you from doing that."

revolution and daily life should be strongly guided by a sense of fun and play, the slogans that politicized even daily actions — seemed at first to be spontaneous, part of the genius of revolution. In fact, these formulas had been brilliantly honed in advance by the Situationists, who then fed them into the unfolding mass psychodrama. Certainly they helped animate and punctuate the revolutionary days on the Left Bank. Artistic collectives, including the liberated Ecole des Beaux Arts hard by the Seine, churned out witty graphics. Some designated targets: "State radio thinks for you" was a cue to march on broadcasting beadquarters. Some orchestrated morale: A poster showed de Gaulle's head and the words "With me, the deluge.

NOTHER SPECIAL advantage was the existence of Nanterre University, an unfinisbed institution on the western edge of Paris. It had a young. leftist and activist faculty teaching both working-class students and many from a posh Paris neighborhood who, by an accident of geography, were assigned to Nanterre. Their social backgrounds gave these students enough poise to be comfortable as they defied their elders.

Their inspiring leader was a 22-yearold graduate student, a red-haired German Jew, Daniel Cohn-Bendit. Not just a

of students when they took over the Sorbonne, the venerable main building of the University of Paris in the Latin Quarter.

It was easy because the older French deferred so fast to youth. The philosopher Jean-Paul Sartre performed selfcriticism in the Sorbonne in front of sbouting students like a mandarin dragged before Mao's Cultural Revolutioo, which was also then affever pitch. The renowned actor Jean-Louis Barrault, his Odeon Theater occupied by students, embraced the revolutioo. declaring that "Barrault is dead."

With this setting, the students knew their parts instinctively. "The new citizens are ranged up the walls of the amphitheaters night and day like their forebears oo the revolutionary tribunals during the Reign of Terror," wrote the Herald Tribune's reporter, accurately catching the way in which the students, while breaking political ground, often felt more comfortable taking over roles from the French Revolution. Even the streets of the Left Bank

resembled the familiar painted images of revolutionary Paris in 1848 and during the Commune in 1871. At the corners of narrow, twisting Latin Quarter thoroughfares, stop signs could be snapped off — sarisfyingly symbolic work—and used as levers to pry up iron grates and the cobblestones of the streets. Every evening brought the clicking sound of these stones being

ball-bearings. Eventually, there was enough ruhhle, including charred cars, to block the Boulevard Saint-Germain.

The students rarely ventured successfully outside the Latin Quarter. In more modern parts of the city, Baron Haussmann, the urban planner of Napoleon III, had made the streets too wide to barricade easily and had spread asphalt over the paving stones.

T HARDLY mattered because the

students could reach the world with new technology. Transistor radios, carried in pockets and handbags, ushered in the age of continuous broadcasts of live news coverage. The impact on the student revolt was rangible. A legal loophole allowed semiprivate radio stations such as Europe No. 1 to gather information in a Paris street, relay the transmission to its legal domicile in, say, Luxembourg, and from there broadcast it to listeners in Paris. The government's radio monopoly had been overtaken so fast that officials did not comprehend the change. As they negotiated with Cohn-Bendit, their stiff thetoric and his cheeky defiance were heard all over the world. Nor did they realize that radio accounts of police movements were being used by students to figure out which areas were free for barricades.

The nightly ritual lasted for nearly a month, with a rhythm that captured an international audience. Chanting defi-

tear gas that was occasionally fired from police lines with a loud pop. When clubswinging policemen charged, the students would finally scatter, shorting defiance. The students saw themselves revolting against a stifling occupation, the old-fashioned social and economic system of France. Their charm was that to become a revolutionary you had only to say you were. Students fleeing from police sweeps entered apartment buildings (concierges no longer bothered to lock the outer doors) and pounded on doors, pleading to be let in. Often they were hidden by middle-class couples who, instead of being horrified, wanted to talk about this utopia on offer.

Foreigners flocked to the movement. Many were radicalized by the police, who were quick to club any foreigner they grabbed in the street and often to deport him. In contrast, the students welcomed oewcomers from anywhere to the vanguard of the movement. Cohn-Bendit, arrested and deported, slipped back into France, unmistakable even with his hair dyed black, to a welcoming chorus of "We are all German Jews."

This openness toward outsiders was part of the students' idealism, their disdain for Leninist conspiracy and paranoia. As far as the students were concerned, this was not a revolution to change the class system someday. This was a revolution to change life now.

— JOSEPH FITCHETT

PARIS, SATURDAY - SUNDAY MAY 25 - 26, 1968

# Paris Explodes Into the Worst Violence Yet Following Plea by De Gaulle on Referendum



RIOT CASUALTY-After being beaten by riot police, a demonstrator is hauled away.

#### **Army Games** Of Reds Set On Czech Soil

armed forces of the Warsaw Pact today, coupling a propaganda as-alliance will hold "joint command sault from Hanot with a broadside

The statement, distributed by the CTK news agency, said the exer- a press conference this afternoon elses would be under the command of Soviet Marshal Ivan I. Yaku- Nguyen Thanh Le, accused the bovsky, commander in chiel of the American officials of "speaking Warsay Pact forces, which is the abundantly of peace" as Wash-military alliance of the Communist ington totenaffice the war to North While Czechoslovak Defense Min-

nounced last May 4 that Warsaw ficial daily "Nhan Dan" warned pact "staff exercises" would be that the United States would "bear beld in Czechoslovakia later this full responsibility" if it continues year, tonight's statement that the "to remain obdurate and hinder maneuvers would begin within a progress" in the Paris talks. maneuvers would begin within a progress in the ratio balance.

But neither the statements is bombing of North Vietnam, concession on the part of the Prague government from Soviet a break in the current negotiations in the Communists, to addition to efform the control of the United States refuse to the control of the control

allow the stationing of 11,000 Soviet On the contrary, the Communist "special forces" in western Bohomia spokesman here sidestepped a and to agree to the creation of a reporter's question asking if the (Continued on Page 2, Col. 6) North Vietnamese would "certain-

#### Hanoi Joins Paris Delegate In Dual Assault Against U.S.

and South Vietnam.

ister Gen. Martin Dzur had an-monitored here today, Hanoi's of-

#### Single Red Rocket Wrecks 100 Copters and HQ Camp

SAIGON, May 24 (UPt).-U.S. to the 1st Cavalry's helicopter pad Marmes caught 1,000 North Victnamese crossing into South Victnamese crossing into South Victname and killed at least 203 of
them in a two-they faitle U.S.;
Alilitary sources said more
than no two-they faitle U.S.;
Alilitary sources said more
than 100 belieppters, most of
spokesmen said today. But a few
them Huey guiships and troop
corrying choppers, were damaged.
Thirty had in be seet back to
filed the Johnson administrathe linked States.

offensive against the United States would be to blame for a failure.

The increased Communist verb armed forces of the Warsaw Pact alliance will hold "loint command staff exercises" on Czechoslovak and Polish territories next month, Czechoslovakia announced tonight.

The statement, distributed by the CTK news agency, said the exercises.

The statement, distributed by the CTK news agency, said the exercises.

The paris attack, unleashed at name, as well as the American cleation savening manyst but the political situation to South Vietnames.

its favor.

Informed sources indicate that the Communists have been building up their forces to the highlands an northernmost provinces of South Vietnam while spearheading at-

Ranking members of the Amerlcan delegation assert that the flow of Communist troops and supplies into the South has been heavy" stoce March 31, when President Johnson ordered a limit on the

Czechoslovakia had successfully ease "unconditionally and immetion, are probably tailoring their
recisted proposels from Moscow diately" its bombing of North Vietdiplomatic tactics to the evolution of the American political campaign On the American political campaign.

One source familiar with them suggests that Hanol may await the outcome of the Democratic and Republican conventions before making a major diplomatic gesture.

In the opinion of this source, the Communists would rather negotiate with Mr. Johnson than Vice-Pres-ident Humphrey or Richard Nixon. hut might prefer in wait until Jannary it Sen. Robert F. Kennedy and Gov. Nelson Rockefeller win

#### **Barricades** Set Up in Other Cities

By James Goldsborough destroy parts of the city in the worst outberak of violence yet.

Throughout France, other youths, students, workers and farmers were holding protest demonstrations and marches—some peaceful, others ending, as in Paris, in abarp, bloody righting.

The Paris demonstrators rejected the President's offer of an overhaul of the university system and sent unruly mobe rampaging through French streets.

Even the student leaders, who had called yesterday's demonstra-

had called yesterday's demonstra-tion, admitted the situation was hopeless this morning. It was mob rule by the thousands, and as police stood on the periphery of the Latin Quarter, and looked on powerless, the mob tore up the streets, felled trees, erected bar-ricades and began to set them on

Only the fire trucks that were showed to pass kept the flames from enguling buildings and atores. By early this morning the devasta-tion of the Rue Gay-Lussac two tion of the Rue Gay-Lussac two
weeks ago had been visited to the
main thoroughlares of the district.
No one could say at what point
the student demonstration of yesterday had become the mob destruction of today. It came slowly, but it grew and by the early
morning hours, there was little
semblance of the student order
that prevailed even during the
worst of the earlier riots.

Avoid Charges Through it all the police stayed back in avoid the fierce charges

that would have trampled the thousands of demonstrators and onlockers underfoot.

The question to the Latin Quarter was—when will they charge? In rioting Thursday night and yesterday morning it was the fires and the barricades that eventually brought the police charges, but this morning even that seemed insufficient to provoke an assault. It appeared to be a calculated risk: In Dual Assault Against U.S.

By Stanley Karnow
PARIS, May 24 (WP1.—North
Plants line that Washington

Possible of the talks if their demonstrators charging police

Possible of the talks if their demonstrators charging police

Possible of the talks if their demonstrators charging police

Possible of the talks if their contione night after night with demonstrators charging police

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Possible of the calks if their contione night after night with demonstrators charging police

Possible of the calks if their contione night after night with demonstrators charging police

Possible of the calks if their contioned on Peace and in open the way more widely to the new blood of France.

Long live the republic Long live the republic Long live the republic against contionely of making our country assume its own contioned on Peace and in open the way more widely to the new blood of France.

Long live the republic Long live the republic Long live the republic and the control of the calks in the day that widely to the new blood of France.

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Long live the republic long in the day that the control of France.

Long live the republic long of the talks in the day that the calks in the calks in the day that the calks in the calks in the calks i

> First Riot Death: A Lyons Police

LYONS, Saturday, May 25

(Special).—The first death in

curred here early today when a

ed by a truck released by dem-

only as Mr. Lacroix, was knock-

ed down by the truck loaded

down with paving stones which

up from the street to build bar-

The demonstrators edged the heavy truck from behind a bar-

ricade and pushed it toward

Earlier in the evening an-

other police commissioner. Mr.

Trojani, had his skull fractur-

cd by a llying paving stone at simost the same soot where

Commissioner Lacroix was kill-

ed, Commissioner Trojani was

taken to the hospital in grave

Leaders of the Preuch atti-

pal authorities that they could

not emirol the demonstrations and that the leaders of the lighting were unknown to

The number of injured in the

Luons lighting was estimated

at about 100. All the ambu-

laures in the area were pressed

condition.

ulum.

Commissioner

FOR nearly thirty years, events have imposed upon me . . . the duty of making our country assume its own destiny. . . . I am ready again PARIS, Saturday, May 25.—The this time, but this time again, and above all this young people of Paris brutally rejected President Charles de Gaulle's time, I need—yes, I need—the French people to. destroy parts of the city in the say that they want it. say that they want it.



#### Gen. de Gaulle's Address

EVERYONE obviously understands the significance of current events-university events and then social events. One can see in them all the signs which demonstrate the necessity of a mutation in our society, a motation which must involve the broader participainvolved

the first duty of the state must be in insure, in spite of everything, the elementary life of the country as well as public order. This is being done. Its duty is also in help a return to order by making the contacts which can facilitate this. It is ready. So much for the

But then, there are without any doubt struc-tures to be modified. In other words, there are reforms to be made, for in the immense political, economic and social transformation political, economic and social transformation which Prance is accomplishing in our time. Even if many internal and external obstacles have already been overcome, there are still others barring the way in progress.

Profound troubles come from this, particularly among the youth who are concerned with their own role and whom, too often, the

THAT is why the university crisis, a crisis provoked by the impotence of this great body to adapt to the modern necessities of the nation and at the same time to the role and the employment of the young, unleashed by contagion in many other areas a tide of disorders, surrenders, or work stoppages. The result is that our country finds itself on the brink of paralysis. Before ourselves and before the world, it is a question for us. Frenchmen, to settle an essential problem which our era poses us, unless we are to tumble down, through civil war, into the most odious and most ruinous adventures and

outous and usurpations.

For almost 30 years now, events have im-

IN FRANCE BRIEFLY-Daniet Conn-Bendit, student

teader hanned from France, sits on desk in French

border post in Forbach after coming into country from

Germany. He was quickly returned to Boun authorities.

I am ready again this time, but this time again, and above all this time, I need, yes I need, the French people to say that they want it.

the way in which they can do so. It is the most direct and democratic way possible, that of the referendum.

Taking into account the very exceptional situation in which we are now, I have theretore decided, on the cabinet's proposal, to sub-mit to national suffrage a draft law by which I shall ask the people in give the state, and in the first place its chief, a mandate for Rebuild the university, not by following its

centuries-old traditions but according to the effective outlets in a modern society for young

Adapt our economy, not in this or that calegory of particular interests but to the national and international necessities of present times. in improving the living and working conditions of the staff of public services and private business. to organizing their partici-pation in professional responsibilities, in developing the training of the young, in en-suring their employment, to putting into action industrial and agricultural activities within the

Frenchmen, Frenchwomen, in the month of June you will be called upon to express your optnion in a vote. In the case of your answer being "no," it goes without saving that I would ocing no." It goes without saying that I would no longer stay in office. If you express your cunlidence to me by a massive "yes." I shall undertake with the authorities and I hope, the contribution of all those who want to serve the common interest, to make changes wherever necessary in the narrow and obsolute structures and in complete structures and in complete structures.

#### Says He Will **Quit Office** If He Loses

By Ronald Koven

PARIS, May 24. - Preside Charles de Gaulle today offered Prance a choice between himself and the Communist party in a referendum on "a mandate for

In a long-awaited address to the nation, Gen. de Gaulle said he would resign if the majority of the Prencir people answered no.

He stressed, however, that a ma jority of noes could mean "civil war," and "the most odious and the most ruinous adventures and usurpations."

It was clear that he was talking about the Communists when he said that for 30 years he had taken in hand the destiny of France "to prevent certain people from taking it over against its will."

Despite a vigorous, self-controlled assurance seemed to be missing. For perhaps the first time, he gave

the impression that he was unsure that his call would be heard. Aware of Crisis

Although he blamed the origin of the troubles almost exclusively on the "impotence" of those who run Prench universities, he did show that he recognizes the full extent of the national crisis France faces. France is "on the brink of paraly-sis" caused by "a tide of disorders, of this shows the need, he said, for "a mutstion of our society." The "mutation" he offered was "a broader participation by everyone in the working and the outcome of the activity in which he is directly in-

This plan to after the "narrow and obsolete structures" of French society "wherever necessary" will be put in a vote in June, he said. For the immediate future, he said, the government is prepared to make the contacts necessary for the country's life to resume. Prime Minister Georges Pompidon an-nounced earlier in the day that he is ready to meet the major labor unions and the Patronat, the na-tional organization of big French

# Cohn-Bendit Enters France. But Is Sent Back to Germany

SAARBRUECKEN, West Ger- order

SAARBRUECKEN, West Germany, May 24 (NYT).—Waving red flags and shouting "Down with De Gaulie" about 300 West German leftist etudents escorted militant French student leader Daniel Cohn-Bendit to the French border here today to probe the seriousness of the French government's expulsion order against him.

There were more onlookers than students when Mr. Cohn-Bendit when Mr. Cohn-Bendit when I will cross the border," he students when Mr. Cohn-Bendit was all.

and nine tellow students were let to French officials, the students. through a West German police most of them from Saarbruccken corden, to talk in French border University, staged a noisy sit-down police at the "Goldene Bremm" before a line of trunchem-armed er post shout three miles West German riot police. from Saarbruecken.

Mr. Cohn-Bendit, nicknamed Dany the Red was allowed to police blocked off the road inin enter France but only a few miles France, their tommy guns and in Porbach to obtain from the black belinets contrasting sharply Prefect of the Moselle Department with the purposely peaceful equipment of their West German coltwo of his friends were permitted to accompany him to the French border town.

"Expel Fouchet" by Mr. Cohn-Bendit not to provoke Mr. Cohn-Bendit returned to the line police or let themselves be West German side of the border in provoked by "outsiders." a French police car after an hour and told his cheering friends that he had refused in sign the expulsion order against him.

Speaking alternately in excellent French and flawless German. Mr. Cohn-Bendit said the action's purpose was in "demonstrate for

Mr. Cohn-Bendit, 23, who has freedom of movement in Euro West German nationality, though The Franco-German bonder is he lived most of his life in France. long." he said amidst laughter. reported he had been "well re-"and I shall, at course, not tell erived" by the Prench official, the Prench when I will make the whom he inid that "I reject both real dash."

enis when Mr. Cohn-Bendit While Mr. Cohn-Bendit talked

A few hundred yards to the rear, black-uniformed French riot

Before starting off on their march to the irontier post, the students listened in admonitions

De Gaulle



the Cries, .7 . ... To bet show

05:1 ना गिर्या

MAY '68 / A SPECIAL REPORT

# Juarter 1

sce, the students would had a surs, with white zinc order their eyes to be argas that was occasionally for colice lines with a loud pop. Western would finally scatter, be effiance. The students saw that would finally scatter, be evolving against a stifling occasional system of France. Their champs obecome a revolution. ystem of France Their change ystem of France, Their channels o become a revolutionary you have say; you were. Students fleet, and their channels fleet, o say you contered aparter ngs (concierges no longer both ock the outer doors) and book.

loors, pleading to be let in the book.

middlen he middle. were hidden by middle-class of who, instead of being horifed to should this utopia on which o talk about this utopia on offer

Foreigners flocked to the more Foreigners mocked to the more when were radicalized by the who were quick to club any his they grabbed in the street and the him. In contrast the deport him. In contrast the selection and selections of the most and selections are selected of the most and selections are selected of the most and selections. to the vanguard of the movement Bendit, arrested and deported to back into France, unmistable with his hair dyed black, to a well-chorus of "We are all Germals."

This openness toward outside.

part of the studeots' idealism the dain for Leninist conspiracy in BOIA. As far as the students on cerned, this was not a revolute change the class system someter was a revolution to change life in JOSEPH FILE

Savs He Wil Quit Office If He Loses

By Ronald Kee Furis May 31 - Res Charle is Galle imeg America and the market and the Communication priestrum in the many

i a .ag-awalied mixto ration Out to Galan Art W. M. Sen. PE . I LA CLE IN The .... The last last extent H: Addit-1 limere bis The state of the second ಸಿಸಿಸಿ ಇಗಿ ಪ್ರಕ್ಷ ಮದು ಸಿಸಿಸಿ ಇಗಿ ಪ್ರಕ್ಷ ಮದು The most runtum attended at . The last ರಿ. ೯೯ ರ.ಮ್. ಚಿತ್ರಚಿಕ್ಕಮ

STATE OF STA Company of the street and and and 21772 21.79 21 Miles of the control Andre of Cass 

Fundament of the first transfer of the first Service of the servic A .... Burnet of the State of the Stat 

radie Enters France mt Back to German

The second secon

de Delec

\*But the Tide Turned in a Nation Eager to Get Back to Normal HE STUDENT revolutionaries' hlindspot was that no other.

and food flowing again into Paris — and lactic. But De Gaulle also furned (an had pulled France out of NATO as part huge state-owned sector. That solidified backgrounds of their own, had been printing hanners for days and making ies' hlindspot was that no other letting anarchy obscure their purpose group in France could afford to and spread panic. Suddenly, to most people the students no longer looked gamble on radical social change. Certainly not the Gaullist govaltruistic and visionary but spoiled and ernment. Not the Communist or So-

cialist opposition. And not the French

people themselves. Only because all

these players were weak — and caught

off guard - was the studeot revolt able

to demonstrate that France was, essen-

tially, ungoverned. The curtains parted

for an instant, then routine and the need

for routine restored the country's fa-

"De Gaulle Vows He'll Siny," the

Herald Trihune reported after the pres-

ideot's fighting speech was hroadcaston Thursday, May 30, as a tide of pro-

government demonstrators flowed

along the Champs-Elysees. The next

day, filling station owners were selling

enough gasoline for some Parisians to

go away for their beloved and traditional

weekend in their country houses. There

was nothing to be gained by hoarding

any longer. The country was ready, in

The students had played into the gov-

emment's hands by failing to put in

place some new realities — perhaps it

would have been enough to get gasoline

fact eager, to get back to normal.

miliar appearance.

class, they're an age cohort.' The students' own creed of noodirective, nonrepressive behavior -- "It is forhidden to forbid" - rebounded against them. Their demonstrations turned ugly because of destruction and looting by masked men described by the paper as "the scum of Paris." Several policemen were saved from being beaten to death by these hooligans. French people became scared, not by the students but by the vacuum of authority.

dangerously oaive. Suddenly, many

groups took over the Communists'

damning axiom: "Students are not a

The nation had actually been closer to the ahyss than most people realized. Midway in this critical week of the turnaround, on Wednesday, May 29, France, as the Herald Tribune put it, had 'lost its president for seven hours." De Gaulle had flown to Baden-Baden, the main French military base in West Germany, to ensure that the armed forces would support a crackdown if the gov-ernment resorted to it. He also hinted at bis own resignation, perhaps as a scare

unacknowledged point of agreement with the students he dismissed as agitators) that the French had abandoned his

vision for them. A waiting game had saved the regime almost in spite of itself. The Paris police chief had ignored calls from Gaullist hard-liners to crack down after the night of the barricades, May 10.Instead, the riot police were ordered to act with restraint because of fears that the country would not tolerate student deaths. There was only one, not caused by the police. Prime Minister Georges Pompidou secretly countermanded de Gaulle's wish to deploy troops around the presidential offices to preempt any threat of snipers.

E GAULLE'S best ally in the crisis was the French Communist Party, which obeyed an injunction from Moscow that no political harm should come to the French leader. Publicly, de Gaulle branded the May uprising Soviet Communist suhversion, but the French party told its members that they would be expelled if they were caught helping the students. For Moscow, de Gaulle was politicatty valuable. The year before he

of his opposition to the United States in Europe, the Middle East and Asia, particularly in Vietnam.

Veteran Communists understood the leftist dogma against infantile adventures and immediately set out to spread suspicion of the students and doubis about their staying power among factory workers who had initially joined the challenge to the regime. Worker suspicions of their leaders had been re-inforced as recently as May Day, when all the major labor leaders staidly paraded instead of voicing new demands for the people they represented. So when the student emissaries started arriving from the Paris streets, factories, ignoring appeals for discipline from union lead-ers, sprouted the red flags of communism and the black banners of anarchism.

The revolutionaries preached the virtues of a new form of management outogestion or worker control without executive hierarchies. But it was impossible even to experiment while the country was paralyzed. Workers could not afford to go without pay indefinitely and union leaders gradually regained credibility. Their recovery began when the government offered to negotiate on across-the-board wage increases in the

accept the students' offer to merge into a single student-worker movement. Instead, labor leaders raised their demands from the government in order to outhid the students for the workers' loyalty.

T THE movement's peak. some 10 million workers were striking, a majority of the natioo's work force. In a hid to woo back the rank and file, unioo leaders added new demands for a shorter work week and more free time. Finally, after a 72-hour oegotiating session, the government and unions reached an agreement centered on a 12 perceot wage increase for factory and office workers. Only then did the unions dare launch a public campaign against the

students: "No to adventurism." The dramatic reversal in the tide of events was captured in the Herald Tribune: "De Gaulle and the Communists believe that revolution is too important to be left in the charge of kids," L. Sulzberger reported in his New York Times column published on May 29, the day of de Gaulle's well-staged

disappearance. Gaullist aides, with conspiratorial

other preparations for a "spontaneous" show of support for the government. The general's speech left the students indifferent since they were convinced that the army would split if ordered to fire on French civilians. De Gaulle also had his own organized units of strikebreakers and street fighters, left over from the Algerian war, but they were not

needed this time. The turnout on the Champs-Elysees, probably a million pro-government marchers, crystallized a new national mood. Trade union leaders got word that the rank and file were ready to accept the wage deal and get hack to the job. Gaullism was saved.

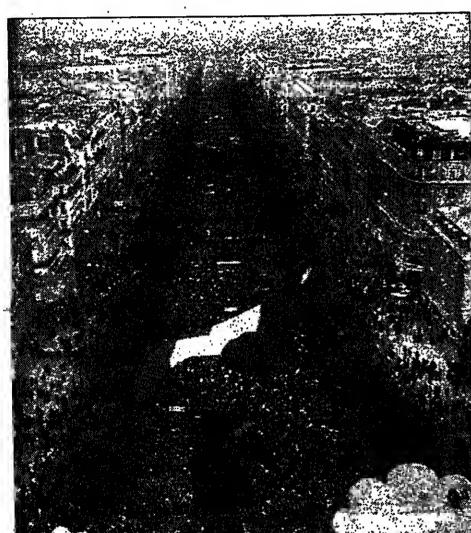
In the Socialist opposition, Pierre-Mendes-France, the grand old man of the non-Communist left, was so concerned about the risk of civil war that he hesitated, thus losing out to Francois Mitterrand, whom the students saw as a political adventurer trying to complete his shift from conservative to leftist.

On June 3, the Monday after his supporters' massive turnout, de Gaulle claimed victory - prematurely, but

—JOSEPH FITCHETT

PARIS, FRIDAY MAY 31, 1968

# De Gaulle Vows He'll Stay, Dissolves Assembly, Will Hold Elections If the 'Red-Led' Crisis Ends



OVERFLOW CROWD—Pro-Gaullist demonstration more than fills the 1.2 miles of the Champs-Elysées from the Arc de Triomphe to Place de la Concorde and beyond.

To Get \$10 Billion Tax Hike

Johnson Says He'll Accept

Gut of \$6 Billion in Budget

By Carrol Kipatrick

Outstand For Take

Amendment A southwest of the season of th

training in Paris and at Harvard, have to await the reconcillation was jailed for three years by South Victnam's late President Ngo Dinh Victnam's later very was both will send Congress a special very later very later by the Vietnam's late President Ngo Dinh The President disclosed that he Diem and then, last year, was both will send Congress a special mesament of the assumbly drawing sage probably next week, calling a member of the assumbly drawing lor a constitutional amendment to south Vietnam's new constitutional constitutional amendment to

#### Gaullists Recapture The Streets

By James Goldsborough PARIS, May 30.—Hundreds of housends of Gaullists, quiet these many days as the streets of Paris were occupied by their opponents, demonstrated today on the Champs-

demonstrated today on the comElysées.

They stretched in a near solid
mass from the Piace de la Concorde to the Art de Triomphe and
beyond. They cheered their govemment, cheered their leader's
speech to the nation today and
called for the workers and students
to get back to work.

It was the counter-revolt of the
streets for the Gaullists. For three

It was the counter-revolt of the streets for the Gaullists. For three weeks they had seen their city occupied and their government threatened by the students' and workers' revolt. They took back the streets today and even as they marched they talked about what was to come.

It was a larger demonstration than the mammoth student-worker march across town on May 13 according to some. One non-gov-

one million. The French news agency, which was struck by workers Tuesday and yesterday, reported 600,000. Reporters who took to the roof-

people than at any time since the Liberation of Paris in 1945. It looked like a solid sea of people.

Show of Strength During the workers' show of strength on May 13 estimates of the crowd ranged from 500,000 to

But larger or smaller, the people today were demonstrating against what has been happening in their country these last three weeks. It was the counter-coup to the coup of the streets, the factories and the universities, whose goal finally was to turn out the elected govern-

Prague's Central Committee **Expels Ex-President Novotny** 

Defense Ministry announced today

#### France Decrees Tight Restrictions On Movements of Capital Abroad These circumstances have brought the French franc to its bottom level of 4974 to the dollar, below which the Bank of France is obligated by international monetary conventions to have up all france affered for the second of the France and foreign countries or in France between residents and non-residents can only be

PARIS, May 30 .- The French government tonight elapped tight exchange controls on the movement of all capital—money, checks and gold—abroad "to assure tha defense of national interests."

The drastic action was imposed by decree-law which takes effect at one minute after midnight on May 31. It was a 'emporary measure made necessary by "the exceptional circumstants which our committy is ex-

sale on foreign exchange martets. The Bank of France foreshad-

The Bank of France foreand-owed today's decree by request-ing foreign central banks to halt dealings in francs, "Exchange operations, capits! movements and (debt) settle-ments of all kinds between

carried out on prior authoriza-tion of the Minister of Economy and Finance," the decree said. Frenchmen were forbidden without authorisation to hold bank accounts abroad or to hold means of payment such as checks or bills of account.

They were also ordered to repatriate immediately for con-version into francs in the Continued on Page Z. Col. 1



BACK TO WORK—President and Mrs. Charles de Gaulle arriving at the Elysée Palace yesterday on their return from a day at their home in Colombey-les-Deux-Eglises.

# De Gaulle's Declaration from taking place. This is why I am postponing lt. As for the legislative elections, they will be carried out within the period of time prescribed by the constitution unless it is totended that the Prench people as a whole are to be gagged by being prevented from expressing themselves at the same time as they are prevented from living, by the same methods that the students are prevented from studying, teachers from teaching and workers from working.

FRENCHMEN, Frenchwomen, being the custodian of the national and republican legitimacy, I have considered in the macy, I have considered in the last 24 hours all the possibili-ties, without exception, which would enable me to maintain

I have made my resolves: In the present circumstances I shall not retire. I have a man-date from the people and I shall

fulfill it.

I will not change the Frime
Minister, whose ability, solidity,
talent, deserve a tribute from
everyone. He will propose to
me the changes be will deem
useful in the composition of the I today dissolve the National

I HAVE proposed to the country a referendum which gave the citizenty the opportunity to order a broad reform in depth of our economy and universities, and at the same time of saying if they main-tain or not their confidence in me, in the only acceptable way, that of democracy, that of democracy.

I see that the present situa-

THESE methods are totimida-tion, deception and tyranny sercised by groups organized from afar for this purpose and by a party which is a totalita-rian enterprise, even if it already has rivals to that aim.

If, therefore, this situation of force continues I will have, in order to maintain the repob-lic, and according to the con-

lic, and according to the con-stitution, to take measures other than an immediate vote by the

ountry. In any case, everywhere and immediately, clvic action must be organized. This must be

prefects, who will become or return to the functions of com-missars of the republic, to their task. It consists of assurtheir task it consists of assur-ing, as far as possible, that the people can live normally and of preventing subversion at any time and in every place.

FRANCE is, in fact, threatened with dictatorship. Some impose itself in the midst of deimpose usen in the minus of de-spair. Obviously that power would then be essentially that of the victor, that is to say that of totalitarian commu-

Of course, it would be tinted at the start with a deceptive appearance by using the ambi-tion and the hatred of left-over rollteters. politicians. After that, these persons would only weigh their own weight, which would not

Now then, no! The republic will not abdicate. The people will pull itself together. Progress, independence and peace will win, together with liberty. Long Uve the republic! Long

#### Mitterrand Sees a 'Call To Civil War'

By Rocald Koven By Kooald Koven
PARIS, May 30.—Saying that
Prance is threatened with a Communist take-over, President Cherles
de Gaulle announced today that he
would stay in office and dissolve
the National Assembly.
In a vigorous, firm voice, he accused the Communists of using
"intimidation, deception and tyranny" to enslave France.
He said he was "nostnomine" at-

He said he was "postponing" at-tempts to hold a referendum be-cause the general-strike situation would make the vote impossible. He said he would organize new legislative elections "unless" they are "hindered." This seemed to be a warning that the strike must end for elections to be held.

for elections to be held.

If the vote cannot take place, he said, he will "use other paths" provided by the constitution to counteract the present "situation of force." He was apparently referring to his power under Article 16 to declare a "state of siege" and rule by martial law for 12 days. He praised Prime Minister he was keeping him to name a new cabinel.

Meanwhile, he said, "civil action" must be organized to help the government and the local prefects (governors), who would once again become "Commissars of the Repub-ite."

"Civic action" was taken by many persons to refer to the Civic Action Service (SAC), the Gaullist party's tough, unofficial political police and bodyguards. They were among the organizers and the stewards for today's mass pro-government march on the Champs

Covernment sources said designating the prefects as Com-missars of the Republic, a French Revolutionary term revived by Gen. de Caulle at the time of the the Gainie at the time of the Liberation, meant thet they would be given full powers to take local initiatives on their own responsibility, including the breaking of strikes.

Some attempts by local aothor-

Some attempts by local authorlites to clear lactory gates of pickets, clear the plants of strikers and
resume work are planned, the
sources said.

Post and Telecommunications
Minister Yves Guena issued a call
for non-striking postal workers to
ignore picket lines and to have
their chiefs ask police to clear the
post offices of strikers.

Army units were seen maneover-ing with tanks and other weapons on the outskirts of Paris in what some officials admitted was a show of force.

Answers were reliably suggested to the mystery of Gen. da Gaulle's whereabouts yesterday when he disappeared for seven hours after having it announced that he was on his way to his country home at Colombey-les-Deux-Eglises.

He reportedly went to consult his top generals to ask if they would stick with him to a showdown. Be must have had doubts about the answer because of the reportedly revolt against him in Al-Answers were reliably sugge generals' revolt against him in Al-(Continued on Poge 2, Col 6)

American Officials Worried

# Johnson Says U.S. Hopes for Stable France PRAGUE, May 30 (AP).—The contained of the Cascho-slowakia had agreed to get the contained committee of the Cascho-slowakia communist party early to get countries under way around the first first maneuvers of the Warsaw Pact countries under way around the lady expelled former President Andrews early in June. But the country's new leaders flatty refused to admit foreign troops on Czech to file the 110-member body. It also suspended him from the Communist party, along with six exercise would be limited to staff communist party, along with six exercise would be limited to staff communist party, along with six exercise would be limited to staff officers. Today's announcement — "Some din January by the liberal Communists headed by Alexander Dubcek. The six who had their party Today's announcement — "Some to the telephone for the latest officials in the six who had their party Today's announcement — "Some to the six who had their party The six who had their party The six who had their party Today's announcement — say a sur-prise. Today's announcement — "Some to the six who had their party to get cou

After Cohn-Bendit's Secret Entry, France Turns Back German Youths BONN, May 30 (AP).—The French Embossy in Bonn today

confirmed that French border officials have orders to turn back west German youngsters trying to enter Prance.

An embassy etatement reaffirmed the han following a claim by the Franco-German Youth Exchange headquarters at nearby Bnd Honnef that no entry restrictions had been ordered by the Paris Interior Ministry.

A Prench spokesman said buses and other vehicles with German translations also as a support of the paris Interior of the support of the spokesman said buses and other vehicles with German spokesman s

mag students and other youngsters aboard were being turned oway at the border. the border. The boo follows the elandestine return to France from West

stability in France, and we deeply elections.

His sudden and dramatic decirence people."

"I don't care to speculate on how bands itil."

There was widespread surprise, in official circles here, at Gen. de what the outcome will be." Mr. in official circles here, at Gen. de Johnson remarked cautiously. "but I do know that it's very important to the American people and the Georges Pompidou as chief of government of the American people and the to the American people and the rest of the world that we have

rench people."

sion to stay combined with reports that his cabinet officials were

The President's comment came as an oblique answer to a question about the stability of the Prench franc and its possible impact on the U.S. dollar. Mr. Johnson gave to the highly sensitive fiscal query but embassized instead that he and his

#### MAY '68 / A SPECIAL REPORT

# In the End, a Triumph of Idealism but Not Much Changed

lice Clean Out the Sorbonne," as the Herald Tribune reported the event, it seemed little more than a spring chore that had been put off for a summer Sunday. Conservatives won an artificially overwhelming parliamentary election; the ballot box was so anticlimactic that young voters stayed

The political aftermath can be easily telescoped. At a deliberate pace, de Gaulle contrived an exit for himself, leaving the nation in the hands of a badly shaken Georges Pompidou. (The specter of authority's collapse and the corresponding need for government readiness to compromise also marked his youngest May lieutenants, notably Edouard Balladur, later to be prime minister, and Jacques Chirac, today the president.). Francois Mitterrand set about merging the disappointed youthful left of May and the old Socialist apparatus, a combination that ultimately brought the presidency to the left for the

The students scattered, with the hardline Maoists infiltrating farms and fac-

THE POLITICAL unspooling tories. A near-bankrupt watch company, halted abruptly. When the "Po-Lipp, was taken over hy employees who tried autogestion economics, but worker management only prolonged the corporate agony.

Most students moved on to other revolutions: the Palestinian cause, women's liberation, pop culture. They resurface for anniversaries.

In 1978, a sullen decade had left little to celebrate beyond the fact that France had largely escaped the terrorism that plagued Italy and West Germany. The May events, according to Liberation, the paper they spawned, demonstrated French willingness to give revolution a chance and amounted to a safety valve.
In 1988, overlapping the 200th an-

niversary of the French Revolution, the French were tempted to proclaim the soft landing of history into a permanent balance of left and right. President Mit-terrand was about to be re-elected, prov-ing that the left had been integrated into the political system.

Utterly unforeseen was the upheaval of economic globalization that would prove uncomfortably challenging for France as a nation, particularly because the new problems of technology and competition seemed intractable to the limited political remedies that French model of impertinent, self-confident governments were willing to try.

In 1998, that merry month of May so long ago is subject to a new revisionism. Today's radicals toy with the conspiracy theory of a CIA campaign to oust de Gaulle, removing a thorn from the side of Washington and, in the longer run, speeding the liberalization of French society and the breakdown of the state needed to clear the way for globalization. Leaving ont the CIA, whose involvement is unsubstantiated by any public evidence, French magazines have waxed ironic on the globalization theme, savoring the paradox that the May 1968 leftists may have made France safe for free markets and other international causes cherished by American conservatives.

HIS VIEW has a kernel of truth.
May '68 did introduce a wave of cultural liberalism in the country that continues to expand, immeasurably accelerating the rate at which younger French people have shunned the intense national parochialism of previous generations. The generation of '68 also

young person who has no hesitation in brushing aside conventional ways of do-ing things and creating new approaches from the first French cost-busting vacation-charter airline to Medecins Sans Frontieres, the voluntary organization of young physicians who defied political frontiers to take care wherever people needed it. Similarly, militants in 1968 such as the author Andre Glucksmann spearheaded the repudiation of Marxist dogma and Soviet totalitarianism that helped modernize France's intellectual

This kaleidoscope of images about 1968 and its significance highlights a major feature of the May revolution's nature, its protean capacity to mean different things, its defiant refusal to fit a simple explanation, the inability of anyone to seize and package the Inminous moment when so many people seemed to glimpse and touch utopia. Partly because they believe so much in the value of the state, partly because they think so often of change in the form of revolution, the French can always find in the student revolt that May a

landscape in the 1980s.

for a less-hurdened future.

HARACTERISTICALLY. the one rethinking of 1968 that has never occurred in France is the condemnation that became so strong in the United States in the 1980s. Neoconservative movements, often led by converted radicals, have blamed the hedonism of young people involved in 1960s radicalism for subverting their ostensible purposes of so-cial reform. Indeed, U.S. conservatives hlame 1960s activists for contributing to a moral breakdown in the nation that has not been reversed.

No such defensiveness is detectable in France. Its intellectuals generally conclude that the upheaval was the last spasm of Marxistn or any other revolutionary myth capable of inspiring utopian hopes for a whole generation. But the intellectuals do not concede that this apotheosis of individualism was a mistake. That helps explain why it remains such a powerful symbol in French history.

The worse damage done by May '68 was probably the government's tactics

unique moment when the nation's cherished past fused with the constant hope of buying out social unrest, and on a massive scale. The wage increases worked, but they reinforced the French economy's cycle of inflation and devaluation that discouraged investment. Almost as a direct result, Paris embraced a policy in the mid-1970s in which the franc was pinned to the Deutsche mark. That has helped modernize the French economy, but at the price of embracing Germany's more conservative economic culture. At the same time, French governments still tend to buy social change rather than confront unions, apparently because officials still recall

May '68 as a terrifying moment.

Is it really so that 1968 is history, with no future? There are grounds for doubt. If it is so elusive, so resistant to a simple explanation even now, it is perhaps because May '68 was the first revolution that was completely about the moment, about modern generations' ability to make revolution when most people the grown-ups — were not really think-ing or worrying about it. That new spon-taneity, together with the extraordinary idealism of the student movement, has

at least kept the door of history ajar.

— JOSEPH FITCHETT

Inton Get-

**leonomie** 

greement

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PARIS, MONDAY JUNE 17, 1968



DWINDLING CLAN-Former U.S. Ambassador Joseph P. Kennedy, 79, who is partly paralyzed, and Sen. Edward M. Kennedy, sit with Mrs. Rose Kennedy beside the Kennedy cottage at Hyannis Port, Mass., on Saturday

On Robert's Death

#### Kennedys Thank the Nation For Sympathy It Offered

According to diplomatic sources, the United States now appears increasingly disinclined to risk hopes of improving its relations with the Soviet Union because of stiffened new travel arrangements affecting a surtax on goods transported by travel across East Germany by West German and West Berline Carriers.

The summing in Bonn that some form of reprisal must be made against the new East German diese with him and passport requirements for West Berliners using the autobahn and west Berliners affecting a surtax on goods transported by West German and West Berlin carriers.

The summinity in Bonn that some form of reprisal must be made against the new East German diese with a some form of reprisal must be made against the new East German diese with a some form of reprisal must be made against the new East German diese with a passport requirements for West Berliners using the autobahn and german and west Berliners with a some form of reprisal must be made against the new East German diese with him and passport requirements for West Berliners using the autobahn and german and german and west Berliners using the autobahn and german and west Berliners using the autobahn and german and german

West German citizens.

These restrictions are said to appear less serious now than when they were first made public three days ago. Moreover, the United Stales is said to feel that since only Germans are affected, the problem can best be handled between the two Germanys and ahould not be nillowed to escalate into a major East-West confrontation.

On Friday, according to State Department officials, Secretary of State Dean Rusk and officials of the British and French foreign of the British and French foreign of the Societ Union over the new East German travel restrictions.

This action by Mr. Rusk hots.

of the Soviet Union over the new East German travel restrictions.
This action by Mr. Rusk, however, was clearly intended to damp down any suggestions that the United States is "overreacting" to the Berlin East, US sources say. Opplonentic miormants with access to official US, thinking say that President Johnson and Mr. Rusk are anxious to promote closer states. In Berlin vesterday, Mr. Brandt selections, with Mosens and are declared that Bonn will seek a

HYANNIS PORT, Mass., June the compassion and the love and 16 UPI1.—The brother sad mother, the warmth of the human heart of Sen. Robert F. Kennedy thanked than we have over any other emotion yesterday for its sympathy and pledged to "carry out the principles for which Bobby and pledged to "carry out their words as well as their loud." "We are deeply indebted to Presition. "We are deeply indebted to Presition." "We are deeply indebted to Presition. "We are deeply indebted to Presition. "Their position on mail order sales, their words as well as their out in favor of a compromise version of the front lawn of the United States for his assistance, and we have been composited." The three companies—Remington. The three companies—Remington and general home of former Ambassador Joseph He Holliness Prope Paul, the Section of the definition of the United National Assistance of the United National Assembly Security. The here companies—Remington and William L. Walliam I. Wa

Police Clean Out the Sorbonne; Brief, Sharp Street Fights Flare

#### A Stabbing Is Reason Given For the Move

By Ronald Koven
PARIS, June 16.—The police
ended the month-long student occupation of the Sorbonne today

P. Kennedy, Sen. Edward M. Kennedy said his brother's campaign
retary General of the United Nacolleagues "will have to decide in
a private way" what to do in the
future. "I know we shall choose
future. "I know we shall choose
wheely," he said.

The senator, who spoke first,
said he hoped the "countless thousaid he hoped the "countless thousaid he hoped the "countless thousaid his brother's campaign
retary General of the United Nations ar' other heads of state and
ning the Interstate mail of other heads of state and
ing the Interstate mail of other heads
of ritles and shotgurs, as proposed
in administration. But the
namage of its Winchester and Savage announced
line. Charles L. Dubuisson, presidate of Savage Arma Division of
heads of Savage Arma Division of
heads of savage announced
line. Charles L. Dubuisson, presidate of Savage Arma Division of
heads of Savage A

Salan, Argoud, 12 Others

SPARKS START FLYING-A policeman harls a gas grenade during one of the

progress. If any, in the Viet-Sen. McCarthy, candidate

to Parls to the last two weeks



on Paris.

But the rest of the French officers in Algeria failed to raily to them to sufficient numbers and the coup collapsed. Challe gave

Rusk entered the hospital today

But Salan sent inderground with what appears to be a lowand took over 'ormally as com-mander of the Secret Army Organ-traction 10AS', consisting of a multitude of terrorist commandos and Mr. Rusk was in Walter in Algeria and France. He was arrested a year ""r in an Algiers
apartment building after a governmeet double agent had infiltrated

his staff.

At his trial, he assumed full responsibility for all the actions of the OAS. These actions included Thomas, S. was hospitalized today.

at the time as being outraged by Salan was not always an anti-



his conviction of conspiracy with three others to

CONVICTED-Dr. Benjamin Spock, left center, talks counsel young men to avoid the draft. The others with newsmen outside federal court in Boston after are Mitchell Goodman, left, Michael Ferber, right,



Until now, the President and nis government have resisted all demands for the release of Salan, who has been in prison for six years on a life sentence.

In April, 1961, after his retirament, Salan was one of four generals who stoged a military cound d'état against the representatives of Gen, de Gaulle, The others were Gen. Maurice Challe, also r former commander in chief in Algeria. Gen. Edmond Jouhaud and Gen. André Zeller.

They seized the efty of Algers at the head of a dissident regiment of the Foreign Legion and arrested the commanding general. They threatened to drop paratroops on Paris.

But the rest of the French of-

the OAS. These actions included Thomas, 83, was hospitalized today acts.

Instead of the death sentence demanded by the government, the Influence tribunal condemned Salan by life unprisonment. Gen, de Gaulle was described by intimates at the time as being outroned by:

BOAC Pilots Strike.

**BOAC Pilots Strike** To Force Pay Raise

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The grenade during area. after the Subtere time Lisenhow Has Anothe Heart Attack

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Asy '68 as a terrifying money is it really so that 1968 is heart, to future? There are grounds as a so elusive, so resistant to

Mr. Clinton drinking a pint Friday.

# Clinton Gets Economic Agreement With Japan

By Alan Friedman and Tom Buerkle tional Herald Tribune

BIRMINGHAM, England - The United States and Japan reached agreemeot Friday on a package of measures to deregulate several important sectors of the Japanese economy and provide greater openings to foreign companies. The agreement was announced by

resident Bill Clinton and Prime Minster Ryutaro Hashimoto before the start bere of the annual gathering of leaders from the Group of Seven industrial nations and Russia.

Mr. Clinton also praised Japan's recent 16 trillion-yen (\$120 billion) package of tax cuts and public spending, saying it was "significant and it will have a positive impact." But Mr. Clinton urged Mr. Hashimoto to accompany the fiscal stignulus with banking reference. the fiscal stimulus with banking reforms that will address the problem of nonperforming loans that is hobbling banks and acting as a brake on the economy.

cos's closest crony is making plans to regain control of his Philippine business empire after Joseph Estrada, the presumed winner of the Philippine elections, takes over as president on July 1.

Eduardo Cojuangco, who is also one of the closest political allies of the incoming president, is confident, his as-"We believe some steps will still have to be taken on the banking reform front," Mr. Clinton said. Mr. Hashimoto later promised his G-7 partners to take action on the loan problem.

The trade agreement was hailed by a senior U.S. official as worth "billions and billions of dollars" to American worsening the U.S. trade deficit with Japan. It covers telecommunications, pharmaceuocals and medical devices, financial services, housing and retailing.

Among the market-opening steps, Japan agreed to reduce connection charges on foreign telecommunications companies by the year 2000; to change housing codes to allow the use of more American lumber, to reduce from 18 months to 12 months the approval period for new drugs and to make Japan's regulators more open to foreign clinical data. Japan also agreed to abolish a law limiting large retail stores, a measure U.S. officials said would belp American retailers expand in Japan.

Mr. Clinton and Mr. Hashimoto also announced a separate agreement to keep the fast-growing market for Internet commerce free of tax.

Meanwhile, the United States and Europe appeared to edge closer to resolving their most difficult trade dispute as French officials expressed optimism that the United States would lift the threat of trade sanctions against foreign companies that invest in Iran, Libya and Cnba.

Mr. Clinton discussed possible solutions to the long-running dispute over the Helms-Burton Act and the Iran-Libya Sanctions Act at a lunch with President Jacques Chirac before the G-7 meeting.

Several crucial details remain to be agreed, most notably the strength of guarantees that Washington will not impose sanctions against European companies in the future, officials said. James Rubin, the State Department spokesman, said in Washington on Fri-

See G-7, Page 15

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**Cross Rates** 

#### Herald Eribune

# BUSINESS/FINANCE

SATURDAY-SUNDAY, MAY 16-17, 1998



Resideots walking down a street in Jakarta on Friday as calm settled over the riot-scarred city. ments across Asia.

through Chinese-owned businesses
Thursday and Friday, any Indonesian
company with substantial foreign debt
was probably iosolvent anyway. Now,
as mobs burn down Chinese houses and attack ethnic Chinese cars packed with family members, cash and jewelry on the road to the Jakarta airport, some of Indonesia's richest citizens can at least take some comfort that billions of dollars are already safely invested overseas.

'The cynic or leftist would say they

**Ethnic Chinese Moved Assets** 

By Philip Segal International Herald Tribune

HONG KONG - With billions in

Swiss banks, hotels in California, pulp

mills in China and cellular-phone nei-

works in the Philippines, wealthy mem-

bers of Indonesia's ethnic Chinese com-

munity have been hedging their bers for decades. This week, that planning may

be paying off.
Even before crowds of rioters ripped

Overseas Before Riots Erupted

were getting their mooey out," said Eugene Galbraith, head of research at ABN-AMRO Bank in Hoog Kong, who spent more than a decade working in Indonesia. "They would probably say, and I would say, they were quite wisely bedging as any rich person would seek to do."

Race riots are nothing new to Indonesia. After the carnage in 1965 against ethnic Chinese during and after the coup that brought President Subarto to power, came riots against the Japanese in 1974. For many years, the Chinese have been the repeated rargets of mob rage across Indonesia, in racial flare-ups that mostly failed to gain international attention.

"There's been capital flight for a long time," said a consultant with a

By Don Kirk

MANILA - The billionaire who was

once the late President Ferdinand Mar-

coming president, is confident, his as-

will eventually return properties to a

wide range of former cronies of Mr.

Marcos. The properties are valued at

between 50 billion and 100 billion pesos

was overthrown in February 1986, re-

main under control of the Presidential

Commission on Good Government,

which decides how to run them. They

range from enormous tracts of real es-

tate to gold mines, banks and news-

papers and include Petron Corp., the

country's largest oil refiner, and the

Mr. Cojuangco, who is widely known

bere as Danding, has his sights set first

and foremost on San Miguel Corp., the

Philippines' largest consumer company

and the crown jewel of his empire. San

Miguel, best known for its beer, was

'sequestered' -- the term used bere to

mean taken over by the government --

soon after Mr. Cojuangco fled the country on the same U.S. Air Force jet that

flew Mr. Marcos and his family to

Mr. Cojuangco and Mr. Estrada both

declined to discuss the matter. However, one of Mr. Cojuangco's chief

aides pointed out that Mr. Estrada had

said repeatedly that he would "abolish"

the Presidential Commission on Good

Government, the agency that seized Mr.

We are hoping what the next president is going to do is to instruct his

solicitor-general to withdraw the cases."

said the aide, Estelito Mendoza, a prom-

inent lawyer who served on the Marcos

cabinet and now represents Mr.

Cojuangco as well as Imelda Marcos and

some of the leading Marcos-era cronies.

The assets, seized after Mr. Marcos

(\$1.26 billion to \$2.52 billion).

Philippine National Bank.

Hawaii in 1986.

Cojuangco's assets.

around and left." But over the last few weeks, the scale of the capital flight has grown exponen-

The wisdom of hedging was not lost on Indonesia's richest ethnic Chinese businessman, Soedono Salim,

tially, he said.

one of whose houses in Jakarta was set on fire by mobs this week. A poor immigrant from China who

came to Indonesia 60 years ago, he was fortunate enough to meet and becomes friends with a future army general and president, Mr. Suharto. Mr. Salim's real name is Liem Side Liong, but like many of Indonesia's Chinese, he adopted an ethnic Indonesian name long ago. Uolike hundreds of thousands of

middle-class Chinese across Indonesia who may own a shop, a bouse, a car and maybe an apartment abroad, Mr. Salim has been shipping his money offsbore

Much of rich Indonesia's money has flowed to the Singapore offices of European private banks and into property investments, according to Mr. Galbraith, although the length of the list of foreign public companies controlled by Indonesia's ethnic Chinese is by any standard impressive.

• The Salim group controls First Pa-cific Co., which is listed on the Hong major accounting firm in Jakarta. "The Kong stock exchange and has invest-

Joseph Estrada showing poll re-

sults on Friday favorable to him.

had made any campaign promises to Mr. Cojuangco. But insiders here say they

believe that many of Mr. Cojuangco's

old properties will find their way back

Given the system of personal rela-

tionships that traditionally dominates

political life here, observers say they

fully expect Mr. Estrada, who is cur-

rently vice president, to grant Mr.

Since the vice president and Mr.

Cojuang co are quite close to each other,

it may not be difficult to settle the mat-

ter," the current secretary of justice.

Mr. Cojuangco strongly endorsed

Mr. Estrada for president in the 1998

campaign and is assumed to bave sup-

ported his campaign financially, an as-sumption he has oever denied. Mr. Es-

trada ran for vice president in 1992 on

the same ocket with Mr. Cojuangco.

With voters permitted to split their bal-lots, Mr. Cojuangco finished third in the

race for president while Mr. Estrada, a

former star of action movies, was easily

elected to the number two posicion.

Looder New York

U.S. dollars per ounce. London official fluings: Zurich and New York opening and classing prices; New York Consex (June.)

into his hands

Cojuangco his wisbes.

Sylvestre Bello, said.

Mr. Meodoza denied that Mr. Estrada

 Indonesia's second-ricbest ethnic Chinese clan, the Wijayas, is also well provided for outside of Indonesia. Headed by a man whose real name is Oei Ek Tjhong, the family controls the Sinar Mas group of companies in Indonesia, but also owns hotels in California and Texas, as well as the New York-listed Asia Pulp and Paper Co., which has operations in Indonesia and

across the region as well. Credit Soisse First Boston said in March that 'even with the economic turmoil of 1997, the company should

continue to expand its capacity in Indonesia and China at a 27 percent rate through 2000."

• A smaller but still wealthy empire is controlled by the Wanandi family, which has a stake in Arvin Industries Inc., a U.S. auto-parts maker.

Dharmala Group, owned by ethnic Chinese, holds a listed Hong Koog com-pany with interests in Hong Kong,

him what to do and what not to do." said

Robert Robbins, an American business-man here. "He will be able to write his own ticket. With the president backing

him, he'll have more clout."

The demise of the Presidential Com-

mission on Good Government, estab-lished by Corazoo Aquino, who led the

"People Power revolutioo" against Mr.
Marcos and then succeeded him as pres-

ident, would effectively close the books

purloined by Mr. Marcos and his inner

circle with an aggregate value of at least

\$25 billion, approximately the size of

the Philippine oational debt at the

of Justice would assume the respon-

sibilines of the commission, but he has

indicated lack of interest in aggressively

pursuing them while lawyers delay ac-

tion with repeated appeals and motions

for dismissals. Some analysts say the

department would wrap up long-run-

ning cases by compromising on some of

them and dropping the rest.
One sign of the incoming govern-

ment's outlook is that the man rumored

to be Mr. Estrada's choice for secretary

Mr. Mendoza, who served as justice

minister for the last three years of Mr.

Marcos's rule, smiled wheo asked about

of justice is Mr. Mendoza himself.

Mr. Estrada has said the Department

Mrs. Aguino formed the commission

on scores of cases.

'Crony' of Marcos Could Gain From Philippine Result

China and the Philippines.

Analysts cautioned against isolating Indonesia's ethnic Chinese as the source of capital flight, with rumors buzzing around the capital of as much as \$14 billion amassed by Mr. Suharto alone.
As with all such discussions, there is probably no way to measure Indonesian capital flows accurately, given the extent to which corruption has eroded the pracoce of record keeping in the country. 'I doo't think it's only the Chinese

that have taken these sorts of measures," said Simoo Francis, an analyst at Credit Suisse in Singapore. Ethnic Indonesians, known as Pribumis, have also stashed billions offshore, be said. 'There's no way to quantify how much

money has flown out."

As for bow quickly the billions of dollars that have left Indonesia would find their way back to the country once the unrest subsided, Mr. Francis was pessimistic. "People are going to be macb more wary now," be said.

Makati, the Philippine financial district, Mr. Mendoza left no doubt of the sym-

pathy he feels toward not only Mr. Cojuangeo but also other members of the Marcos inner circle whom be counts among his clients. The best known

among them beside Mr. Cojuangco is Lucio Tan, chairman of Philippine Air

Lines and probably the richest man in

the owners of the assets and have se-

'These cases have been damaging to

the Philippines.

# Paris and EU Set Terms of Bank Rescue

PAGE 11

Credit Lyonnais to Sell Assets in Bailout Plan

PARIS - France and the European Commission agreed Friday on a tough bailout plan for Credit Lyonnais SA that, could hamper the state-controlled bank's expansion well into the next century.

France said it agreed with the com-mission to sell 620 billion francs. (\$104.08 billion) in bank assets before

The accord, expected to be sealed May 20, will end four years of acrimonious talks on Europe's biggest corporate bailout and clear the way for the sale of the government's 82 percent stake in the bank

Saving Credit Lyonnais, which once aimed to become Europe's largest bank, is expected to cost the French state as much as 190 billion francs (\$31 billion), according to figures previously meotioned by the European competition commissioner, Karel Van Miert.

The cost has ascaland from 45 billion.

The cost has escalated from 45 billion; francs in 1995, to represent roughly-10,000 francs per French taxpayer.

A Paris judge is invesogating possible criminal behavior at the bank, per-

haps by former senior executives. On Friday, the Finance Ministry sought to dispel fears that France would try to block a purchase of the bank byforeign bidders by saying a future sale would be open and ocodiscriminatory.

Finance Minister Dominique Strauss-Kahn and Jean Peyrelevade, the chairman of Credit Lyonnais, said thatdespite the asset sales, the bank would, remain a retail and business bank in France as well as an international bank; focusing oo large companies, institu-tional investors, fund management and

trading.
Weeks of negotiations between French
officials and Mr. Miert shook confidence in the bank's future and prompted many clients to withdraw funds.

Credit Lyonnais has benefited from the largest rescue operation in Europe's banking history, after a string of mainly property investments in the mid-1990s turned sour. In exchange for the bailout, the commission required France to sell its stake in the bank to private investors.

On Friday, French officials did oot indicate which assets would be sold before the privatization. Analysis ex-pected Credit Lyonnais to be required to dispose of its entire European network. uding its German unit, BfG, but to keep its financial operations in Loodon and Frankfurt and branches in Luxembourg and Zurich.

The plan caps Credit Lyonnais' balance-sheet growth until 2003, forces it; to pay out at least 58 percent of its profit. in dividends until 2004, and prevents the solvency ratio from falling below the level reached Jan. 1, 2003 until 2014.

"Freed from the incertitude caused. by the lack of an agreement with the-European Commission, Credit Lyonnais will be able to speed up its recovery. while improving profitability." the Finance Ministry and Credit Lyonnais

It was oot clear Friday whether Credit. Lyonnais would be sold via an initial

public offering or in a private placement Mr. Peyrelevade bas made it clear that be favored the sale of Credit Lyonnais through a public offering - a

move that would allow the management

to stay in place. (Bloomberg, Reuters)

#### riously prejudiced the Philippine economy," Mr. Mendoza said. "All of these assets could be onstream in the economy, but now you cannot borrow on them. You cannot expand because there will always be a question of whether your expansion will be sequestered." He broadened his argument to in-

clude a wide range of celebrities whose properties have been sequestered, including Imelda Marcos and her chil-

"We think we can now be treated with more fairness and equality," be said. "It's a good time to get over the bias against anyone connected with former President Marcos."

Many business executives share this

"The Presidential Commission on Good Government has been useless," said Peter Wallace, a long-time eco-nomic consultant bere. "It's achieved almost nothing. It's criminal that a government can sequester assets and then

#### the rumors and said be was "not sure" be wanted to serve on another cabinet. See SAN MIGUEL, Page 13 In an interview in his office in

#### **ECONOMIC SCENE**

#### Arrivederci Lira: Italians Are Nervous

By John Tagliabue New York Times Service

ICENZA, Italy Giovanni Franco Masello sheds no tears over the imminent demise of the Italian Mr. Cojuangco "will be able to tell lira. Pietro Montagna sometimes wishes the funeral could be delayed a bit.

Both are Italian businessmen, and both want the euro, Europe's nascent single currency, and the benefits it will ultimately bring for their companies. Yet they are preparing for it in very different

Mr. Masello's pottery company, which is not far from this sell." northern Italian city, some 65 kilometers (40 miles) west of Venice, will post prices for its products in both lire and euros puter services, is in a sector when it issues new price lists under siege. Long shielded this year. But the supermarket chain based in Milan where kind of protectionist policies ments in transportation and Mr. Montagna works is asking that the euro is intended to the government in Rome to bring down, the Italian retail slow things down. Instead of trade, along with banking and issuing customer receipts in other sectors, expects mainly both lire and euros in the transition phase to the new currency that begins next Jan. 1, as the government has asked, and consumer behavior to the

fully introduced in 2002. utive, is embracing the euro expanding here. because Deroma is one of

and medium-size companies come regional and international players, a status and a strategy that the euro is intended to enhance.

With the euro, the burden of converting the lira to a dozen different currencies will disappear, and as the single currency pushes Europe to become even more integrated economically, Deroma is poised to grab a bigger chunk of the market than it has now.

'Our idea," Mr. Masello said, "is for a production site the European monetary club, in every country in which we

But Standa SpA, the big supermarket chain where Mr. Montagna is head of comfrom real competition by the meant paring back investpain, at least in the near

Converting cash registers the chain wants the receipts to new money will be costly. be only in lire until the euro is What is more, the expense is coming at a time when Italian Deroma SpA, the world's retailers are already under aslargest pottery maker, where sault from big competitors Mr. Masello is chief exec- elsewhere in Europe that are

Similar contrasts in expec-

tations are being felt unemployment rate, which is throughout Europe as compain Italy that have already be- nies and industries prepare, from different starting points. for the euro, which will replace the currencies of 11 countries in the European Un-

But in few couotries are the differences as stark, or the potential gains and wrenching costs as substantial, as they are in Italy. Indeed, looming over both ends of the economy here, the strong and the weak, are the special uncertainties of Italy SpA.

To qualify for admission to and thus become eligible to use the euro, Italy had to cut its budget deficit sharply.

That meant raising income taxes on corporations that had already been paying the highest rates in Europe. It also communications, though those still fail well below the northern European standard

Then there is Italy's depressed south, with its high

a millstone around the neck of the economy as a whole.

Interest charges on Italy's bloated national debt, which is double the target set for countries adopting the euro, preempt the kinds of spending programs Germany began in the east after the fall of the Berlin Wall a decade ago.

What all this means, of course, is that if the current downward trend in interest rates reverses and the cost of money begins to rise again, Italy will have to tighten its belt further, even at the risk of provoking an economic slowdown, higher unemployment and social unrest. Resistance from labor unions, and from leftist parties in the government itself, would be intense.

Little wonder then that Antonio Fazio, president of the Italian central bank, warns that the next few years will be "purgatory" for Italians as the economy adjusts to Euro-

See ITALY, Page 13

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#### **CURRENCY & INTEREST RATES** May 15 Libid-Libor Rates

D.R. L.F. S.F. Vos. Cr. Posite 0" — 5.655" 1544 1.671" 1350 13265" 0" 14.35 — 14.25 2277 25.5 14.35" 4" 0.874 4.645" 1324 13273 1325 1.1714" 2015 1136 0.31 0.1147 — 5465 1.34 1.371 1.381 1.385 1.384 1.371 1.381 1.385 1.384 1.371 1.381 1.385 1.384 1.371 1.381 1.385 1.385 1.384 1.371 1.381 1.385 1. Anisteriona Brussels Frenkfurt London (a) Mountd Millian **Key Money Rates Valled States** Bank base rafe Discount cate Cell money 1-month interbeni 3-month interbeni 6-month interbeni Clasings in Amsterdam, London, Milan, Paris and Zwrich, fidings in other century New York and Toponto rates at 4 P.M.

a: To buy one pound: b: To buy one dollar: "Units at 100; N.Q.: not qualed: N.A.: not available." 90-day CDs (detil) 139-day CP (detil) MIL 30-day R-A Frence 3-menth T-bill 1-year T-bill 2-year T-bell 5-year T-note 7-year T-note 10-year T-bond Other Dollar Values intervention rate Call money 1-month interbunk 2-month interbunk 5.43 S. Afr. road 5.094
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Fempora tate

#### Investor's America 30-Year T-Bond Yield 8000 ~~~ 1998 Exchange Index 9096.00 The Dow 917223 0.83 -0.77 1108.74 1117.37 S&P 500 543.19 -0.87 S&P 100 -0.68 574.40 578.31 U.S. NYSE Composite Nasdeg Composite 1846.77 . 1865.38 1.00 U.S. AMEX Composite 737.09 741.38 -0.58 U.S. 7684.60 7677.90 +0.08 TSE Index Toronto 10906.30 10733.70 +1,61 Bovesos São Paulo dexico City . Boisa 4785.18 4739.18 +0.99 664.35 +0.70 **Eurnos Aires Marva** 4411.73 0.71 IPSA General Capital General 6791:27 +1.98

#### Very briefly:

 Philip Morris Cos. and RJR Nahisco Holdings Corp., the two largest U.S. cigarette makers, cut their first-quarter earnings to account for charges to pay for their share of the tobacco industry's \$6.6 hillion legal settlement with Minnesota. Philip Morris will take an \$806 million charge and restate earnings to \$1.38 billion, down from \$1.87 billion. RJR will take a charge of \$199 million, resulting in a net loss of \$20 million compared with net income of \$179 million.

• General Growth Properties Inc. has agreed to acquire U.S. Prime Property Inc., a private real estate investment trust, for \$625 million and the assumption of about \$65 million in debt. · Berkshire Hathaway Inc., the investment company controlled by Warren Buffett, said first-quarter profit surged to \$722 million from \$284 million a year earlier. Realized investment gains rose to \$470 million from \$21 million in 1997.

· Hewlett-Packard Co.'s profit for the quarter ended April 30 fell 13 percent, to \$685 million, on price-cutting and economic weakness in Asia. Revenue rose 16 percent, to Ameritech Corp. agreed to market the long-distance ser-

vices of Qwest Communications International Inc. despite a lawsuit by AT&T Corp. and other long-distance companies against a similar pact between Qwest and US West Com-

· NationsBank Corp. is considering acquisitions outside the United States, a month after agreeing to merge with BankAmerica Corp. to form the largest U.S. bank.

• J.C. Penney Co.'s first-quarter earnings rose 25 percent, to \$174 million, as it cut costs to offset weak sales at its department stores. Revenue for the period ended May 2 rose 5 percent, to \$7.05 billion.

 Molson Cos., the Canadian brewer, said profit from continuing operations for the 1998 financial year rose to 58.5 million Canadian dollars (\$40.4 million) from 24.5 million dollars. Revenue rose 5 percent, to 1.55 billion dollars.

**AMEX** 

Friday's 4 P.M. Close

The 300 most traded stocks of the day,

up to the clasing on Woll Street.

Bloomberg, AP, Reuters

Soles High Low Lakest Ch

# Lift Dollar **Against Yen**

New York - The dollar rose against the yen Friday amid speculation that the upheaval in Indonesia would hurt Japan's already battered economy and those of its Asian neighbors.

"The situation in Indonesia continues to deteriorate and Japan's economy is slipping further into re-cession," said James McKay, currency strategist at Commonwealth Bank of Australia in London.

Japan is Asia's biggest economy and the higgest lender in the region,

#### FOREIGN EXCHANGE

so unrest in neighboring countries taints Japanese assets and increases the likelihood bank loans will not get repaid.

The dollar was quoted at 134.530 yen at 4 P.M., up from 133.685 yen on Thursday.

Still, traders are reluctant to lift the dollar too far before leaders from the Group of Seven industrial nations finish meeting in Birming-

ham, England. The dollar rose to 1.7850 Deutsche marks from 1.7789 DM after Reimut Jochimsen, a Bundesbank council member, said there was no hurry to raise German interest rates 10 bring them in line with those in other nations adopting Europe's single currency in January

The dollar rose to 5.9845 French francs from 5.9650 francs and to 1.4863 Swiss francs from 1.4805 francs. The pound fell to \$1.6262

#### **All New Beetles** Recalled in U.S.

AUBURN HILLS, Michigan Volkswagen AG's new Beetle, lauded in crash tests and prized by consumers, was tarnished on Friday by a recall for an electrical problem.

Volkswagen of America Inc. said it was recalling all of the 10,100 Beetles sold in the United States and Canada because certain wires could be damaged from rubbing against the battery tray. VW said it had received no reports of accidents or injuries related to the wiring problem.

# Asia Worries Microsoft Shows Its Pragmatic Brinkmanship

By Steve Lohr and Joel Brinkley New York Times Service

NEW YORK - Microsoft's lastminute gesture toward the Justice Department, a new-found taste for compromise in the hopes of avoiding a major antitrust suit, speaks volumes about the company.

It may have a take-no-prisoners corporate culture and an antagonism toward Washington but, as any accomplished capitalist, Microsoft is ultimately guided by the pure logic of business

Microsoft is extremely toughminded and willing to act on the edge of brinkmanship, but pragmatic at its core," said David Yoffie, a to the company's remarkably lu-Harvard Business School profes-

Less than an hour before state and federal governments were set to file sweeping antitrust suits against Microsoft Corp., the company announced Thursday that it would postpone the release of its new operating system, Windows 98, for three days so that settlement talks could proceed.

brinkmanship that has marked its modify the terms under which its them together in software "suites." growth over the years, called a computers. cease-fire. Microsoft offered several significant concessions in its

talks to continue Friday.

negotiating strategy and spurred its programs must be displayed on

But, these people said, the company remains steadfast in its refusal marketing practices, and both sides to modify the programs itself — or immediately took steps to allow the to stop adding additional features to its operating system. Most notably. Clearly, Bill Gates, the Microsoft it insists that its Internet Explorer,

#### Any antagonism it may have toward Washington is tempered by the pure logic of business.

chairman, and his lieutenants have the browser software that enables decided that some of the concessions the government is seeking can be made without posing a real threat

crative business. Thursday suggested a general willingness to modify or abandon several of its marketing and presentation arrangements that prosecutors find objectionable.

The company might, for example, drop demands that computer man-Microsoft ufacturers feature It was only then that Microsoft, products to the exclusion of com-

users to view the Internet's World Wide Web, is an essential part of Windows.

The lawsuit prepared by the ative business. states, similar in style and scope to Officials and executives involved the proposed federal suit, several with the talks said that Microsoft on officials said, would have sought to prevent the release of Windows 98 range of Microsoft's business prac-

Among its points, the suit would challenge what it calls "tying," a practice that in recent years allowed Microsoft to dominate the markets for word-processing, spreadsheet demonstrating the steel-nerve petitors' products. It might also and other programs by bundling

after the health maintenance organi-

\$200 million against second-quarter

to 25% after the entertainment mar-

earnings for restructuring.

ABC and ESPN.

lion, as planned,

drug, Ergoset.

music service.

gains Thursday.

It would also block the company from forcing manufacturers to incorporate certain features on the Windows main screen, or desktop, when the computer is first turned

mion Is Val Fin

On these points, Microsoft has

suggested some flexibility. But the suit would also seek to block Microsoft from including WebTV for Windows, its electronic program guide for television and Web sites, and Outlook Express, its e-mail program, with Windows 98.

What is more, it would ask the court to require Microsoft to allow manufacturers to replace the Internet Explorer browser with another browser when installing Windows 98. On these points, Microsoft is unlikely to give in. In fact, Microsoft insists that Internet Explorer is so deeply embedded in Windows until a court could rule on a broad 98 that it would be impossible to separate it without a complete redesign of the program

Both state and federal officials stressed that their suits could still be fited if the parties did not reach agreement, and all the parties predicted that no conclusion would be reached before the deadline on Monday.

Government officials said they suspected that Microsoft might be willing to delay the release of Windows 98 beyond Monday if the talks were going well. A Microsoft spokesman declined to speculate on over the cost of getting rights to air a further delay. Plans to begin National Football League games on selling the new operating system in stores on June 25 have not changed, Among other active issues, FPA the company said. Medical Management fell 51/2 to 6

2.50.00

W. Co.

WORLD STIE

Anser:

Friday KE

The fact that both sides had begun an effort to reach a settlement withzation said it would take charges of out going to court should not be interpreted as a sign that an accord will in fact be reached, a person involved with the talks said.

Union Texas Petroleum fell 13/8 Microsoft's strategy of fiercely to 27% on concerns that the comresisting an accommodation with pany's heavy exposure in Indonesia the government and then finally might deter Atlantic Richfield from buying Union Texas for \$3.3 bilcoming to the negotiating table is precisely the approach the company Ergo Science fell 7 9/16 to 61/4 took when it reached an earlier setafter it failed to win the backing of a tlement with the Justice Depart-government panel for its diabetes ment, a consent decree signed in 1994 and approved by a federal K-tel International rose 2 11/16 court the following year.
25% after the entertainment mar"It was unmistakably clear to

keting company's chief executive Microsoft then, just as it is now, that and its president offered \$8 million if we didn't get a resolution, we'd sue them," recalled Robert Litan. in credit for its fledgling on-line then a senior Justice Department Xybernaut fell 1 15/16 to 6 31/32 official who worked on the consent as investors took profits after sharp

The decree prohibited Microsoft Pivot Rules rose 11/8 to 31/8 after from striking certain deals with per-

#### Technology Issues Drag Down Wall Street

efited from the Asian turmoil as in-

vestors sought a safer haven for

funds. The price of the benchmark

30-year issue rose 6/32 point, to 102

5/32, taking the yield down to 5.97 percent from 5.98 percent Thursday.

serve Board to keep interest rates

U.S. STOCKS

Expectations for the Federal Re-

NEW YORK - Weak technology issues pulled the stock market wer Friday after National Semiconductor warned it would lose money until the end of the summer.

The pessimistic outlook from one of the biggest U.S. semiconductor companies followed weak earnings from personal computer maker Hewlett-Packard. Investors are concerned that weak Asian economies are hurting demand for computer products.

"There's a realization that this Asian situation is not just a onequarter phenomenon but rather one that is probably going to have a longer-lasting impact," said Jeff Petherick, a money manager at Loomis, Sayles & Co. "It is not an easily solvable problem.

The Dow Jones industrial average closed 76.23 points lower at 9,096.00 and the Standard & Poor's 500 index ended down 8.63 points at 1,108.74. The technology-heavy Nasdag composite index lost 18.60 points to close at 1,846,76, and losing issues outnumbered gaining ones by a 3-to-2 ratio on the New York Stock Exchange. But the Treasury bond market ben-

steady after policymakers meet next week also lifted the bond market. National Semiconductor fell 13/8

to 17 after warning that slow chip sales to computer companies would force it to post a loss for the next two

The warning came a day after Hewlett-Packard also warned of weak results; the computer maker posted lower earnings Friday. Other chipmakers and computer companies faltered, including Intel, which lost 41/4 to 80 5/16, Dell,

which lost 11/4 to 30 5/16. The Dow was pulled down by Walt Disney, which tumbled 51/4 to 110 13/16 after an analyst at Merrill Lynch & Co. cut her investment rating on the stock to "neutral"

from "accumulate," citing concern

May 15, 1998

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High Low Latest Chge Oplint

which fell 5 to 901/4, and Compaq.

the maker of golf sportswear said it sonal-computer makers for licenswould form a division that will mar- ing the company's Windows opket discounted, brand-name apparel erating-system software that were on the Internet. (Bloomberg, AP) determined to be anti-competitive.

High Low Latest Chae Opint

U. S. STOCK MARKET DIARY

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INTERNATIONAL FUTURES

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On these points Many suggested some flexible.

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Both state and federal uld stressed that they some only fried if the parties oddy **red** agreement, and all the paper dicted that no conclusion of reached before the determinant Government officials

suspecied that Microsoft willing to delay the relevant days 98 beyond Monday fix were some well A le spokesman declined to any yant u further delay Plan n sching the new operations the company said. The fact that both talobas sof our going a continue

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# Inflation Is Not Europe's Only Fight, Jospin Says

By Barry James International Herald Tribuni

PARIS - Prime Minister Lionel Jospin insisted Friday that the creation of a European central bank should not limit Europe's economic policy to a fight against inflation. He said this did not mean France

was abandoning its battle to reduce its public deficit as it prepares for the introduction of the European single currency on Jan. ].

Rather, he said the 1999 budget would continue strict curbs on public spending, even though strong economic growth, forecast to be as much as 3 percent this year, has given France more margin for

pump-priming action. Letting our public debt get out of control would lead to powerlessness sooner or later," be said.

At a meeting of business leaders organized by the economic daily Les Echos, Mr. Jospin said economic and monetary union would give European nations more room to founding treaties of the European

aims by reducing interest rates and

The French prime minister's nation and policy-making. words could arouse further suspicion in Germany, where the key function

maneuver in the pursuit of national Union, Still, if the French have their for balanced budgets or even budget eliminating foreign-exchange risks. defining role in economic coordi- should use the current economic up-

Unlike Germany, France has stressed the concept of political conof the European central bank is seen trol within the euro zone, and obas the fight against inflation and servers said it was this that led Pres-

The French prime minister's words could arouse further suspicion in German circles.

philosophy could undermine the cen-

tral bank's independence. These differences are likely to come to a head June 4 with the first meeting in Luxembourg of the council of the euro, which was set up under largely French pressure as a counterweight to the central bank, Made up of finance ministers of the countries adopting the euro, the council is described as "informal" because it is not mentioned in the

where many people fear France's ident Jacques Chirac, at summit midway through his eight-year term

> the Bank of France. Mr. Jospin's message that France was also stressed at the business

way, the council is likely to play a surpluses. He said governments swing "to reload the budget gun, so they can use it when things get difficult" - in other words, put

something aside for a rainy day.
France's policy of economic austerity is under attack from the left and from many unions, who blame it for high unemployment Mr. Tricher warned, however, that "public debt is

no shield against unemployment." Mr. Trichet said the European Central Bank would affect neither talks in Brussels this month, to insist the independence nor the importhat Wim Duisenberg step down tance of the national central banks, which will become part of a unified - to begin July 1 - as president of system. Doubts about the indepenthe central bank to make way for dence of any central bank would Jean-Claude Tricbet, governor of affect the credibility of the entire

system, Mr. Trichet said. He added that building a new had to cut deficits now in case of an currency from scratch and ensuring economic downturn in the future its credibility, which he described as "incredibly ambitious objectives," leaders' meeting by Mr. Trichet, would provide plenty of work for all who called on governments to aim the banks in the system.

# ITALY: Dawning of the Euro Age Is Inspiring Both Confidence and Concern

Continued from Page 11

pean demands and is forced to ad-

What is encouraging to the ex-perts are the number of businesses, like Deroma, that seem as well positioned as any in Europe to meet the challenges the euro will pose.

million this year, a fivefold increase the Continent, he said, and the euro from a decade ago. Founded in the 1950s by local potters, Deroma single-handedly industrialized pottery production in the 1970s and then reinvented itself as a mini-mul-

In the early 1990s, Deroma borders, grabbing back the marketing of its products in Europe and the

recently, the United States.

Companies like Deroma are the very backbone of the Italian economy, said Franco Bruni, an economist at Bocconi University, the business school in Milan. "These concentrations of small and medium-size companies with flexible Deroma expects revenue of \$91 structures are among the best" on will be a boon for them.

For many, he said, it will afford emancipation from the costs of small Italian banks" while fostering cross-country networking, particularly in areas like those around Vicenza that are close to powerful ecopushed aggressively beyond Italy's nomic regions farther north. By removing obstacles to companies' expansion, like the cost of protect-United States from local distributors ing themselves from changes in ex-

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tories in Denmark, China and, most expansion across borders into arm of Germany's Deutsche Bank, neighboring countries.

But the chronicle of Deroma's growth also illustrates many of Italy's deficiencies.

Wages in Italy are so high that ecutive, had no inhibitions about moving production abroad.

Italian banking is so costly and growth, Mr. Masello took the very un-Italian step of selling shares on the Milan stock exchange, thus avoiding among its roughly 1,500 workers. Still, not all of Italian business the debt that makes Italian compa-nies, as he puts it, "the salvation of of only two of the 2,200 industrial companies in the Vicenza area listed the economy, like banking. on the Milan bourse.) To cushion that industry, Italy on the Milan bourse.)

and then building or acquiring fac- change rates, the euro will promote Grenfell, the investment banking to open the gates to foreign capital.

High Law Class Pres.

although be also brought into the syndicate Credito Italiano, one of the best-run Italian banks, "to in-

clude a national bank. And so rigid is the Italian labor Mr. Masello, Deroma's chief ex- marker, and so immobile have Italians become thanks to generous welfare and unemployment payments, that despite unemployment of more provincial that to finance Deroma's than 20 percent in the south of Italy, Deroma employs 40 to 50 non-Euro-

shares Deroma's dynamism, and the banking system." (Deroma is one what troubles some experts is the relative weakness of key sectors of

Even then, to manage the stock long maintained high barriers to forsale, he chose Deutsche Morgan eignentry. Now the euro is expected

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Close

#### Aerospatiale **To Get 46%** Of Dassault

Bluemherg News

PARIS - France will transfer its 46 percent stake in Dassault Aviation SA to state-owned Acrospatiale SA. the first step in creating a unified French defense and airplane group that can team up with European partners to better compete with U.S. rivals.

Dassault, a military and civilian aircraft manufacturer that had resisted government attempts to force it to merge with Aerospatiale, said Thursday that it had consented to the share transfer. The government said it had asked both companies to study ways they could cooperate.

This is the first Franco-French step needed before they can create a European airplane group," said Philippe Gossard, an analyst at Credit Lyonnais.

The government said Friday that it favored "the establishment of a concerted strategy for the French aeronautic industry in the perspective of alliances that appear necessary for the principal European actors to create powerful and competitive entities."

Dassault is renowned for its Mirage III fighter jet, which became one of the best-selling planes in the world after Israel used Mirages with devastating effect in the 1967 Middle East war. But the later Mirage 2000 model won limited export orders, and Dassault's latest offering, the Rafale, has yet to win an export order. This week it lost out to Lockheed Martin Corp.'s F-16 for a \$6 billion 80-plane order from the United Arab Emirates.

Dassault made about half its 21 billion francs (\$3.52 billion) in 1997 sales from civilian aircraft, mostly its Falcon business iet.

Aerospatiale, which had 1997 sales of 56 billion francs, assembles the Airbus passenger plane and the Ariane rocket, and also makes helicopters and missiles.

High Low Close Pres.

#### Investor's Europe Frankfurt DAX London FTSE 100 Index CAC 40 5400 3000 5050 5900 4700 3300 4350 5300 5000 NV 3000 2700 D J F Prev. Close Index Change 1,168.77. 1,164.09 +0.40 Ameterdam 3,116.93 3,106.67 +0.33 8EL-20 Brussels 5,393,14 5,361,22 +0,68 Frankfurt . DAX 735.38 725.56 Stock Mericet 4.919.38 4.944.23 0.50 **HEX General** 735.32 740.68 0.72 Osio OBX 5,917.88 5,948.50 -0.52 London FTSE 100 Closed 858.12 ". Madrid Stock Exchange 23978 23944 +0.14 MIBTEL 3,990.23 4,011.98 -0.54 Paris CAC 40 4,101.38 4,056.39 +0.86 Stockholm 5X 16 1.564.02 1.565.61 -0.19 Vienna ATX

#### Very briefly:

· Italy's industrial output fell 1.0 percent in March from the month before, Istat, the statistics bureau, said. Output at Italian factories rose a workday-adjusted 0.9 percent from a year earlier and an unadjusted 9.1 percent.

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• The Bank of Russia raised key interest rates for the first time since March to protect the ruble. The rate it charges commercial banks on loans of between three and 14 days rises to 36 percent from 30 percent, and on loans of between 14 and 30 days to 40 percent from 30 percent.

 Luigi Spaventa, chairman of the bank Monte dei Paschi di Siena SpA, was named as chief of Consob, the Italian stock market regulator. He replaces Tommaso Padoa-Schioppa, who is joining the board of the European Central Bank.

 Israel's consumer price index rose 1.4 percent in April from March, at the high end of expectations, according to the Central Bureau of Statistics. It indicated a 1998 inflation rate of about 4 percent, the bureau said.

 Cie. Generale des Eaux SA shareholders backed the 34.2 billion franc (\$5.7 billion) purchase of media company Havas SA. Shareholders also approved changing the company's name to Vivendi.

#### WORLD STOCK MARKETS

Friday, May 15 Prices in local currencies,

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**Market Closed** The stock market in Madrid was closed Friday for a

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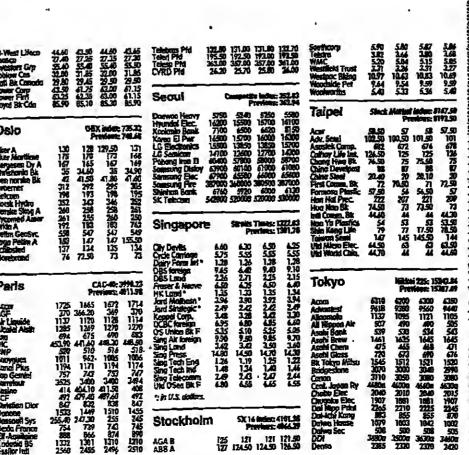
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Continued on Page 16

# ASIA/PACIFIC

# Foreign Firms Look to an Uncertain Future in Jakarta

By Sandra Sugawara Woshington Past Service

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W. Sur

TOKYO - As foreign multinanonal companies fled a chaotic indonesia en masse Friday, they were faced with the possibility that soon the business landscape in Indonesia may change, perhaps radically. Carefully cultivated ties to Pres-

ident Suharto's family and friends, a key to smooth dealings with the

whether he goes quietly or there is a puny has operations in Indonesia. But if Mr. Suharto chooses in ties could even be a hindrance to foreign companies.

What many foreign companies are hoping for is a moderate successor that pursues democracy and the kind of economic reforms being adopted in South Korea and Thai-

"That might restore confi-

Mr. Suharto is forced oul. And man based in Tokyo, whose com- greater the risk that whoever comes tions see tremendous growth po-

But if Mr. Subarto chooses inlong battle, companies associated Takashi Hoshino, a specialist on In-donesia with Loog Term Credit regime." Bank Research Institute in Tokyo.

'The longer Suharto stays,' said

into power could be quite radical tential in Indonesia, which is the anti-foreign. Theo foreign stead to circle the wagons, forcing a companies would be faced with an Iranian situation, and that's when with the president will be hurt, said merely by being there when Suharto ural resources.

Most companies contacted said they were only suspending oper-Robert Broadfoot, managing direc- alions temporarily. None had plans government, will have little value if dence, 'said an American business- Consultancy in Hong Kong, "the current problems, foreign corporafor of Political & Economic Risk to closed own operations, Despite its

world's fourth most populous country, with 200 million people, and has an abundance of oil and other nat-The problem is that Mr. Suharto has doled out monopolies to his

family and friends, creating an elite group of rich and leaving many in poverty. Foreign company executives have long complained about being hit with demands for "fees" and "donations" and suggestions that they hire Mr. Suharto's friends. The whole system has distorted competition, stifled entrepreneurship, and kept some prices unreasonably high, economists say.
"Most of the foreign companies

we talk to are looking at this crisis as an opportunity, Mr. Broadfoot said, despite the fact that business in Indonesia on Friday ground to a halt and the banking system basically shut down. The parade of big-name multinationals that fled Friday petroleum companies, banks, securities companies, auto and consumer

they plan to be back, and soon.

"With a change in government,"

Mr. Broadfoot said. "the foreign companies we've been talking to feel they might be able to help shape the new business environment, especially in a country that is on its

Some executives said even a military takeover in Indonesia could be an improvement, if the new leader was moderate and made an effort to dismantle some of the monopolies that have been criticized by the International Monetary Fund.

Most executives, and even many analysts who normally talk regularly to reporters, declined to be quoted because of the volatile simation in Indonesia.

Our company is still trying to do some husiness with the government," said one analyst, indicating that foreign businesses were out

abandoning Indonesia.
Indeed, although Nissbo Iwai Corp. of Japan is suspending construction of a petroleum project it is building in Indonesia with other companies, it plans to resume work as sooo as the economy stabilizes. 'Nobody doobts that Asia is a growth market in the next 20 to 30

years," said a spokesman. But analysts said that because the banking systems throughout Asia remained weak, they expected the Indonesian crisis to keep equity investors away from the entire region, for an American investment bank.

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#### Very briefly:

· Hanshin Bank Ltd., a Japanese regional bank, plans to take over the debt-ridden Midori Bank Ltd. next year. The move will be carried out with financial help from the governmentbacked Deposit Insurance Corp.

 Tenaga Nasional Bhd., a Malaysian power utility, posted a greater-than-expected loss of 2.1 hillion ringgit (\$554.1 million) in the half ended Feb. 28, and it cited the decline of the domestic currency. For the year-earlier half, Tenaga had a profit of 511 million ringgit.

Thailand expects its economy to contract 5.5 perceot this year, a sharper decline than the 3.5 perceot decline previously anticipated, a Finance Ministry official said.

· Sing Tao Holdings Ltd., a Hong Kong-based newspaper publisher, said its chairman, Sally Aw Sian, was in talks to sell part or all of ber cootrolling 50-percent stake in the company. • Yamaha Corp.'s parent-company net profit fell 31.5 per-cent, to 5.1 billion yen (\$38.2 million) in the year ended in March, as sales of musical instruments declined in Asia.

 Mitsui Fudosan Co., Japan's largest property developer, posted a parent-company net profit of 5.8 billion yen for the year ended in March, compared with a loss of \$1.5 billion yen for the previous financial year.

 Dongah Group's chairman, Choi Won Suk resigned, one week after he said he would do so in a bid to save the South Korean construction cooglomerate from a liquidity crisis.

· Moody's Investors Service Inc. cut its senior debt rating for Itochu Corp., Japan's major trading house, from "A3" to 'Baa2,' blaming serious asset losses.

• Hong Kong's chief secretary, Anson Chan, said planned infrastructure, projects worth 235 billion dollars (\$30.34 billion) would go ahead despite the Asian financial crisis and would provide at least 19,000 oew jobs.

• Eli Lilly & Co.'s appeal for copyright protection in China at least in the near future, "We're in for the drug Prozac was beard by the Beijing Municipal the knee-jerk phase," said an analyst People's High Court, a company official said, but a verdict

Reuters, Bloomberg, AP, AFP

#### Tokyo Demotes Finance Official In Gifts Scandal

TOKYO — A senior finance official will be demoted to take responsibility for recent scandals concerning the entertain-ment of bureaucrats by the financial institutions they were supposed to be regulating, the finance minister said Friday.

Toshiro Muto, whose duties included overseeing ministry officials, will step down as head of the ministry's secretariat on Tuesday, said Finance Minister Hikaru Matsunaga.

Public trust in the Finance Ministry has been severely shaken by the arrests of officials and businessmen oo bribery charges, involving ex-pensive golf trips and wining and dining, allegedly in cx-change for inside information.

In recent mooths, the ministry has punished more than 100 officials.

Separately, Koji Omi, head of the Economic Planning Agency, warned Friday that a credit crunch posed "serious problems" for Japan. His comments came a day

after figures showed bank lending last month suffered its biggest fall in seven years, falling 2.5 percent from the previous-year period. Economists are divided over

whether banks are cutting back lending. Some say figures show total lending is falling and bank clients are facing higher interest rates. Others note that many companies are turning to Japan's bond market to raise money and that leading from regional banks is still rising, however slowly. (AP, AFP)

# **Good News** to our readers on the French Riviera: The IHT is available

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# Singapore Air Buys Long-Haul Airbuses

SINGAPORE - Singapore Airlines Ltd. agreed Friday to buy as thiog. many as 10 A340-500 long-range jetliners from Airbus Industric in an order worth as much as \$2.2 billion, dealing a blow to a rival model made is really pushing both airframe and by Boeing Co.

Turning away from the U.S. planemaker after buying as many as 77 early versions of the Boeing 777 in 1995, Singapore Airlines said it agreed to five firm orders of the \$150 million Airbus aircraft and took options for five more. The deal includes

spare parts and backup engines.

The order gives Airbus what is regarded as the benchmark Asian customer for its four-engine A340-500, seen by some analysts as bettersuited to the long-distance flights common in the region than the latest vice will attract the lucrative market shrink. (Bloomberg, AFP, Reuters)

SEOUL - South Korea said Fri-

day it would remove the ceiling on

foreign stock ownership on May 22. The change will allow foreigners

nies, up from 55 perceot, and 30

percent of state-owned Pohang Iron & Steel Co. and Korea Electric

Power Corp., up from 25 percent.

country's benchmark stock index

hovers near 11-year lows, follows International Monetary Fund de-

mands that Korea open its financial

But analysts said the announce-

meot, although seen as good news in

the long run, failed to cheer Korea's

languid financial markets, which

were overshadowed by growing worries about social unrest in In-

not determine who gets

Mr. Wallace said that the

questered companies that

have been a hindrance to rap-

Mr. Cojuangco woo a first

exercise voting rights with

promptly named three new

younger brother, to the 15-

may be more difficult.

id development."

markets.

them.

The move, which comes as the

alo own 100 percent of most compa-

model of Boeing's twin-engine 777. for frequent business fliers, who 'Flying seven hours is one have long complained of the lack of craft finance specialist at Doutsche Morgan Grenfell, "but flying 14hour, 18-hour sectors on two engines

eogine technology to its limits."
The Airbus jets will be powered hy Rolls-Royce Trent 553 engines. Delivery of the planes is due to begin in 2002 and will be completed by 2003, Airbus said.

The new wide-bodied aircraft will be used to operate the first nonstop trans-Pacific passenger service between Singapore and Los Angeles and San Francisco. Flights from Singapore to California now involve at least one connection.

Singapore Airlines hopes the ser-

ket opening used to have iso't there any more," said Dan Harwood, re-

gional director, Northeast Asia, for

ABN-AMRO Asia Ltd. in Seoul.

ers to huy stocks in the primary

market. Currently, buying of stocks

by foreigners is allowed only in the

Marcos gave him control of Good Government.

Mr. Cojuangco is fighting a much of San Miguel, founded plan approved by President as a brewery in 1884, in 1983.

quired with funds levied from has slipped badly of late.

according to associates, is to million, down nearly 50 per-

secondary market.

the nation's cocoout industry.

which largely beloogs to him,

the 20 percent stake that he more than a million cocount Its income last year was still has in the company. He farmers and millers. His goal, 2.73 billion pesos, about \$100

name himself to the post of

directors, including Mr. Men-gain power over all 15 of San cent from its 1996 i doza, another lawyer and a Miguel's board seats and 5.26 billion pesos.

have long complained of the lack of said Chris Partridge, an air- a direct service between the United States and most of Southeast Asia. Despite the economic slowdown in Asia, Singapore Airlines also announced Friday that its net profit

rose last year.

"The old shot in the arm the mar- would lift restrictions on foreign in-

The airline said it earned 1.035 billion Singapore dollars (\$627.2 million) in the year to March 31, up from 1.032 billion dollars the previous year. Sales rose to 7.72 billion dollars from 7.22 hillion.

But the airline warned of ominous prospects for the current year because of poor passenger traffic. Singapore Airlines, said the Asian economic crisis was adversely affecting regional travel and that outbound traffic from the region would

Seoul to End Foreign Stockholding Limits

vestment io beneficiary certificates.

This would include ending a 55 per-

cent ceiling on foreign investment in

trust assets and allowing foreign in-

"The effect it's actually going to vestment in money-market funds and short-term bonds, it said. have on attracting new money in the way it has before is going to be limited because the foreign limit is Analysts said the deregulation would translate into a rise in the weighting of the South Korean stock not full for most companies," he market in the world's benchmark

The Korea Stock Exchange com-"It should mean that Korea's 10.11 points, or 2.79 percent, at weighting in some of the bench-352.83 on Friday. The dollar rose to marks increases to some degree in the medium term," said Mr. Har-

wood of ABN-AMRO.

Separately, data released Friday showed that direct foreign investment in South Korea jumped 133.3 percent in April from a month ago as

posite stock price index ended down ,435 won from 1,412 woo Thurs-The new rules will allow foreign-

mergers and acquisitions surged.
(Reuters, Bloomberg)

The Finance Ministry said it SAN MIGUEL: 'Crony' of Marcos Could Gain Control of Brewer

Continued from Page 11 "the cocooot king" after Mr. idential Commission on we're impaired by sequestration," said Mr. Mendoza. Mr. Cojuangco "has indi-Unlike a number of other wants the government to give cated this order is unconstiextremely rich Filipinos him another 27 percent stake tutional and illegal," said whose property was sogovernment over the years had appointed "a large contingent to the boards of setingent to the boards questered, said Mr. Mendoza, my client has refused to ne-

Mr. Tan, the Philippine Air which largely beloogs to him, was sequestered along with his control over the funds in the "Coco Bank" to buy Lines chairman, has faced considerably less difficulty than Mr. Cojuangco.

A court blocked the comround toward regaining a plan approved by President as a brewery in 1884, in 1983, foothold on the board of San Fidel Ramos this month for San Miguel has ranked at or

gotiate."

mission's efforts to sequester Miguel Corp. when a court selling those shares, which ruled in April that he could the government says were achis holdings, notably Fortune Tobacco Co., which makes 75 percent of the cigarettes produced in the Philippines, claiming the commission missed the deadline for filing its application in 1987. The commission has been attempting ever since to reverse chairman, now beld by An- Mendoza, is the company's the court order, demanding The next step, however, other wealthy family, who other wealthy family, who imately 150 percent. "We Tan's companies as well as Mr. Cojuangco, known as was appointed by the Pressional Control over his assets.

# G-7: U.S. and Japan Set Accord

member board.

day that no decision had been made to exempt European framework "to ensure that While the bilateral devel-

opments dominated activity here, leaders of the G-7, which excludes Russia, gave their expected endorsement to a strategy for strengthening the global financial system to prevent or better manage events like the Asian economic crisis.

The G-7 leaders also urged the International Monetary Fund to publish more information about member coun- as well as economic stability tries, including any causes for concern in their economies.

The leaders said they attached "particular importance" to "encouraging the IMF to publish more information about its members and their policies, including its concerns about members' policy making and vulnerab ilities," an Agence France-

Presse report said. There have been calls for the IMF to make public warnings crisis it is designed to avoid.

The IMF has so far only private. The G-7 leaders said ing after rioting and looting the Asian financial crisis had overnight io Jakana, was revealed "potential weak-nesses and vulnerabilities in

Constitution of the

Continued from Page 11 the global financial sys-

They called for a new the private sector plays a timely and appropriate role in the resolution of financial

They said the IMF should also publish more informa-tion about its owo decisionmaking process, and said its policy-making interim com-mittee should be developed "to permit a deeper and more

effective dialogue." The G-7 leaders said that "good public governance" were necessary for couotries to recover from the Asian financial crisis, in an apparent reference to Indonesia.

While we are encouraged by the progress in implement. ing sound policies in emerging markets that have been affected by the Asian crisis, events in recent days demonstrate that the situation remains fragile," the G-7 statement said, according to Agence France-Presse.

"Sound macroeconomic countries' economies as part of policies, open markets and of the Asian crisis. But there in all countries are essential for loog-term stability in the licizing such information world. Recent experience could precipitate the kind of emphasizes the importance also of good public govemance. The latter statement, com-

GROUP

cent from its 1996 income of

More worrisome, said Mr.

istered Office: 22-24 Boulevard Royal, 2449 Luxembourg R.C. Luxembourg B-6734

Our Shareholders are invited to attend on Wednesday, June 3, 1998, at 11.08 a.m. in Laxenbourg at 69, route d'Esch, the

Annual Shareholders' General Meeting

with the following agenda:

1. Directors' Reports.

2. Auditors' Reports.

Approval of the Consolidated and Parent Only Financial Statements for the year ended December 31, 1997. Appropriation of 1997 net income of the parent company.

5. Discharge of Directors and Auditors. 6. Directors' and Auditors' fees for 1997. 7. Authorization to the Board of Directors to repurchase

Company's shares. In order to be able to attend the ordinary general meeting holders of beater shares will have to deposit their bearer shares five clear days before the date of the meeting at the Registered Office of the

company or with one of the following banks: in Luxembourg: Banque Internationale à Luxembourg;
in Italy: all the leading banks;
in Switzerland: Crédit Suisse,

Banca Commerciale Italiana (Suisse); in France: Lazard Frères & Cie.;

in Belgium; Banque Bruxelles Lambert.

 in the Federal Republic of Germany. Commerzbank;
 in Great Britain: SBC Warburg, Lazard Brothers & Co.; - in the Netherlands: ABN-AMRO Bank:

Every shareholder may be represented at the shareholders' meetings by a proxy, who need not himself (herself) be a shareholder. Shareholders may, on and after May 26, 1998, inspect at Banque Internationale a Luxembourg, 69, route d'Esch, the reports of the Roard of Directors, the annual financial statements and the text of the proposed resolutions.

THE BOARD OF DIRECTORS

Friday's 4 P.M. The 1,000 most traded National Market securities in terms of dollar value, updated twice a year. The Associated Press.

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# Against the Tide: Contrarian Picks for When the Market Turns

By Aline Sullivan

NE OF THE ironies of today's bull market is that contrarian funds have, in themselves, become contrary investments. It takes a bold investor to pump money into what are some of the worst-performing vehicles around.

"Contrarian investing is essentially a way of saying that the crowd is wrong, in tems of price or time or even both," said Michael Lipper, chief of Lipper Analytical Services in New York, "That does happen. The problem is that the extreme con-

tranians are more often wrong than not."
The two global funds defined by Lipper Analytical as contrarian form a case in point. The \$200 million Newcap Contrarian Fund and Ohio National's \$5.6 million One Fund Global Contrarian Mutual Fund rank among the five worstperforming funds in their sector so far this year and within the bottom 10 percent in the past 12 months.

The managers of these funds, and their investors, need thick skins in times

"So few people are contrarians because it is physiologically very difficult," said the One Fund manager, JeanMarie Eveillard, "We are always swimming upstream." He attributed the fund's
"pedestrian" performance—it is up 5.6 percent so far this year - to its concentration in small companies, mostly in France, Japan and Switzerland.
"We will stick with smaller securities

because we believe there is genuine value there," said Mr. Eveillard, who also is the president and manager of the SoGen International Fund and manager of Ohio National's One Fund International.

He identified Immobilliere Marseilles as an investment that is starting to pay off. The French holding company, which owns stakes in a number of large European companies and in real estate in Southwest France, has returned nearly 50

percent to its investors so far this year.

'It is still trading at a 50 percent discount to net-asset value and will also benefit as real-estate prices start to rise in France," he said.

The bolder the manager, the worse the fund, at least lately.
"There are many different contrarian

strategies." said Russel Kinnel, equity fund editor of Morningstar Mutual Funds. "Some funds simply buy beatup stocks, while others have made the mistake of shorting them. Gold funds, in which investors have been able to double their misery, can also call themselves contrarian.

ONTRARIAN EQUITY funds are most popular in the United States, where they have been of little use to investors in the past year, and almost unheard of in Asia, where perhaps they could have helped investors avert some misery. Analysts point out, however, that true contrarian funds will differ from the so-called bear funds in that they will lose money in a swiftly declining market, albeit not as quickly as more general funds.

But if ever there was a market ripe for contrarians, Asia is now it. The Global Contrarian Fund was launched last month by the Singapore-based fund manager OUB Asset Management Ltd. Its managers expect to generate average returns of 20 percent by ferreting out fundamentally

strong stocks that have been oversold. It has not worked out that way, at least not yet, Instead, the 19 million Singapore dollar fund provides a perfect illustration of why contrarian investors need the patience of Job: It has plunged almost 10 percent since its inception. Global in name only for now, the fund has made most of its investments in Southeast Asia, thanks in part to a quantitative program that alerts the manager.

titative program that alerts the manager. Gillian Ang. when shares anywhere have dropped more than 20 percent.

To date, the Global Contrarian fund's top 10 holdings are: Singapore Airlines Ltd.; China Merchant Holdings International Co.; warrants for Jollibee Foods Corp. of the Philippines; Shanghai Industrial Holdings Ltd.; BEC World PCL of Thailand; PTT Exploration & Production PCL of Thailand. ration & Production PCL of Thailand; Thai Farmers Bank; United Overseas Bank Ltd. of Singapore; Guanghan Holdings of Hong Kong and China Telecom (Hong Kong) Ltd.

In Europe, said David Masters, senior fund analyst at Micropal in Boston. fund managers are reluctant to call themselves contrarians but a lot of them

are starting to adopt that approach."
"Dresdner Bank RCM's Emerging Market Fund and the Select Emerging Market Funds, several of the Foreign & Colonial Funds and hedge funds such as

the Croesus Capital Management EMTR Fund are really becoming contrarian," he added.

In the United States, funds such as the \$29.8 hillion Vanguard Windsor Fund, which has been closed to new investors. operate cautiously in the gray area between value and contrarian investment approaches. Investors are not complaining about this lack of definition, however: The 30-year-old fund has returned 15 percent so far this year.

T LEST SOME of that performance can be attributed to what was a true contrarian play. The fund acquired a large stake in Citicorp in the carly 1990s, when the bank's future was in doubt. Since then, the Windsor manager, Charles Freeman, has seen his \$8-per-share investment rise to about \$150 fare Friday, including a \$37,625 boost an April 6, when the company unnounced plans to merge with Travelers Group Inc. in a stock swap.

Investors who missed this boat can look to the Windsor II fund, which was started in 1985 and remains open to new investors. Managed by James Barrow, it is now worth about \$23 billion. Citicorp is not figure among its 10 largest holdings.

At the other extreme of the contrarian spectrum are funds such as the Comstock Capital Value fund, which has posted a loss of more than 12 percent so far this year and 31 percent in the past 12 months. ranking it among the worst-performing capital appreciation funds. Analysts attribute these losses to aggressive but misguided short selling, the sale of securities that the fund borrowed and hoped to buy

back at lower prices after they fell.

The perils of shorting stock in today's market are well illustrated by two related funds. The \$37.6 million Crabbe Huson Small Cap is up 4 percent so far this year, while its sister fund, the \$296 million Crahbe Huson Special, has sunk almost 4 percent over the same period.

The Crabbe Huson Special had been a strong performer until 1996. when manager Jim Crabbe started ne-goriating short positions, an area in which he clearly hasn't shown much ability." said Mr. Kinnel of Morningstar. He held on to his short positions longer than, on to some of his long positions and he chose the wrong stocks. For example, he shorted America Online, Dell and Compaq because he thought they were overpriced. But all three are market leaders, and their

shares have continued to rise."

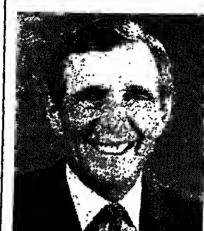
Currently, the fund has allocated 5.5 percent of its assets to shorting Dell Computer Corp., 3.2 percent to America Online Inc. and 2.2 percent to Compaq Computer Corp. It also has allocated 3.7 to shorting Citicorp and 2.7 percent to shorting UAL Corp., the parent of United Airlines.

T WAS NOT always like this. Just a few years ago, aggressive contrarian funds were hot buys and the Robertson Stephens Contrarian Fund was the hig favorite. Paul Stephens, its manager, made his name in 1995 when one of his obscure Canadian holdings, Diamond Fields Resources Inc., hit the jackpot with the discovery of the world's largest nickel deposit in Voisey Bay, Canada, and was then acquired by Inco Ltd. for 38 times the amoun Robertson Stephens had paid for its 6.9

million shares. But times have changed. Robertson Stephens Contrarian Fund now has \$362 million under management, little more than third of its total assets three years ago.

"In the current market, which prizes well-known, consumer-oriented mul-

Continued on Page 19



# One Manager's Tips for Building a Portfolio Against the Flow

ONTRARIAN INVESTING shares some feotures with value investing, the strategy of looking for stocks that ore priced inexpensively relative to the averoge market levels for dividends. eornings and corporate ossets.

This is natural, because the unpopular stocks sought by contrarians are bound to trade at lawer multiples shan those of componies that ore in favor. making them ottractive to value inrestors as well.

But while they are similar, contrarian and value investing ore not the same, according to David Dreman, an asset manager and the author of the new book "Controlion Investment David Dreman: Discipline is key. Strategies: The Next Generation."

Mr. Drenion said o key to the contrarion model was discipline, ond he offered o list of five indicators that he uses to screen stocks.

Individuals with more thon \$50,000 to imesi could construct a controrian portfolio of about 25 stocks, and these he said should be diversified among several industries.

The criterio assume different levels of importance based on morket conditions, Mr. Dreman said.

For example, in the early 1990s, when financial stocks were unpopular. many issues in the sector had low prices in relation to the book values of their assets. At such o time, the other criteria, such as low-priced stocks in the industry, would be used to winnow

down the list of candidates.

1. Stocks with the lowest price-toearnings ratios. Mr. Dreman looks at

those companies whose ratios are in the bottom 20 percent of the market. 2. Stocks with the bighest dividend yields. Look for stocks that have strong

enough earnings to support the div-3. Stocks with low price-to-book values. Book value is a company's assets minus its liabilioes. Mr. Dreman

suggested looking for companies with values far below the average for the market. In the United States, the average ratio is now about 5.5, and be suggested that investors look for ratios

4. Stocks with low price-to-cash

flow ratios. This is similar to the priceto-earnings valuation but cash flow also includes items such as depreciation. Cash flow is more difficult for companies to adjust than the narrower profit measure, and it works particularly well with industrial and energy companies.

S. Stocks with low values relative to others in their industry. Taking the cheapest stocks in several industries provides contrarian diversification.

DAVID DREMAN is chairman of Dremas Value Management LLC, an investment-advisory firm at 3 Harding Road, Red Bank, New Jersey, 07701, that manages accounts for institutional and wealthy private investors, its telephone number is 1732-224 (000, He also is the manager of the Kemper-Decoma High Reman Fund, information about the fund can be obtained by celling 1312-337 7000, or, tol-free in the United States, 1 800-621 (008, For information about his book, "Contrarian Investment Strategies: The Next Generation" (Suriop & Schuster, \$251, consult www.SimonSaya.com/titles/bookpage.cg/?inlm=068481305

# Placing a Bet On Recovery In Asia With **New Warrants**

IVEN RECENT events in Asia, a true contrarian play would be to speculate that stock prices there will rise significantly in coming months. For investors who want to make that bet, there is a new vehicle that offers a leveraged wager: a warrant on the Asia Tiger 100 Index, a group of blue-chip Pacific stocks, half of which are from Hong Kong and Taiwan.

Warrants are complicated instruments, akin to long-term call options. They give their holders the right but not the obligation to buy something at a specified price. Traditionally, this was a stock or a bond, but in this case the warrants can be exercised for cash if the index trades above 185.88. The exercise value is determined by the formula \$15 x (Index-185.88)/185.88.

On Thursday, however, the index was at 169.04 it has been falling since the warrants were issued on April 30. That brought the price of the warrants down to \$4 from the \$5 they were sold at. The index would have to rise to 235.45 before the warrants expire on Nov. 1, 2000, for investors who bought on Thursday to

The complex math of warrants means that if the index moves above the breakeven point, investors gamer higher percentage gains than they would achieve by purchasing the underlying stocks. Cur-

169.04 150.

Catch a Tiger Asia Tiger 100 index

rently, the so-called gearing ratio is about 2.8, meaning gains in the warrants would outpace a rise in the index by that factor.

The warrants are listed on the Chicago Board Options Exchange, and they were issued by the International Finance Corp., the World Bank affiliate whose mission is to encourage private investment in developing countries.

At first glance, it would seem that the IFC was betting against Asia's stock markets because the issuer of the warrant takes the opposite position from the investors. But Minati Misra of the IFC's Treasury Department said this was not the case. The IFC is completely hedged," she

said. "We are not taking any view." The IFC transferred the risk that Asian markets will rise to other investors, who Ms. Misra would not identify. She said the agency reckoned that the warrants would be popular with contrarians outside of Asia, and that the IFC's role was using its balance sheet and getting compensated" by acting as the middleman in the transaction and keeping part of the \$5

million or so raised in the sale.

The IFC, she added, "has an ad-

vantage to issue in the United States' because it does not have to comply with Securities and Exchange Commission listing requirements.

For investors who think Asian equities will rise from current levels, the warrants offer a risky alternative to mutual funds or stocks. Should the index fail to rise above 185.88 before they expire, the warrants will have no value, and even an advance beyond that level does not guarantee a gain. A big recovery, bowever, would give the warrant-holders far sharper gains than more timid investors.

The index, which is calculated in dollars and will be periodically rebalanced to maintain these weightings, has 32 percent of its stocks in Hong Kong. percent in Taiwan, 14 percent in Malaysia, 12 percent in Singapore, 6 percent in South Korea, 6 percent in the Philippines, 4 percent in Indonesia and 4 percent in Thailand

International Herald Tribune THE WARRANTS trade bits stocks under the symbol ACW.WS on the Chiengo Board Options Exchange time ACW/WS on the Bloomberg system? The symbol for the order to TXG. For more information, see the Web site at www.cboc.com/products/ex/txgspecs.html Q & A / David Tice, Prudent Bear Fund Manager

# The View From Outside the Bubble

AVID TICE manages the Prudent Beor Fund, a U.S. mutual fund that seeks to profit in rising as well as folling markets by either owning or selling short stocks, depending on whether Mr. Tice thinks equities are under- or overvalued. His net position is short these days, and he has had no trouble finding stocks that he thinks ore overvalued. Yet the market has not cooperated with his cantrarian position, and the fund is down 34 percent so far this year.

Mr. Tice discussed the market with Conrad de Aenlle.

Q. The stock market always goes up over the long run, as the swelling throng of bulls keeps pointing out, so why does the world need funds like yours?

A. The market doesn't always go up. There are bear markets and bull markets. This has been the biggest secular bull market in history, since 1982. The minor bear markets in 1987 and 1990 required investors only one to two years to recoup their initial investment. These were painless bear markets. We are in the midst of the biggest bubble in the econnmy and stock market that America has ever seen. The market badly needs a fund like ours, which allows individuals to be short the most expensive stocks in the country in a diversified, professionally managed portfolio. This is not available anywhere else.

Q. Some hear funds are essentially anti-Standard & Poor's 500 index funds, tracking the benchmark index, only in reverse. You're a stock-picker, looking for overvalued companies to sell short. That does not require you to have a bearish view on the

market, right? A. Not necessarily. We attempt to identify stocks that will decline no matter what the market does. The problem is that with a portfolio, there is a natural correlation with the market.

Q. By maoy measures, the U.S. market is far more overvalued than it ever has been, and European markets are not much cheaper. Bulls say this is a new era, in which fundamental changes have rendered the old criteria useless. What's your opinion?

A. I'll quote Bob Farrell of Merrill Lynch: 'There's oo such thing as new investment eras, only investment eras that go to new extremes, and there's never been an investment extreme that has been created that was not thoroughly rationalized and justified at the time that it was being created.'

This is no new era, this is a bubble, pure and simple, just like what we experienced in the 1920s and what the Japanese experienced in the 1980s. The ecocomy looks great because of the excess credit provided to the system by innumerable sources. However, this excess credit has led to malinvestment. which will eventually lead to a bust, which will be very, very painful.



David Tice: Awaiting the bust,

last year, not bad at all considering the 33.4 percent gain in the S&P 500. So far this year, you've been creamed.

What happened? A. This has been a bad period for us. We have been heavily invested on the short side because we felt that the decline would come at any time, with corporate earnings slowing and with the Asian problems intensifying. Obviously we have been wrong. Our good 1997 performance was partially due to the fact that we were so heavily sbort in the October decline, and we are ready again. We bave also been hurt by being short a few stocks that have been heavily short and being squeezed.

Q. What kinds of stocks make the

best short-sale candidates? A. We are careful in the stocks that we short. We don't make pure valuation shorts, only companies that are experiencing deteriorating fundamentals or where we have a strong view that the

company will fail to meet earnings expectations. Q. What are your biggest short

positions now?

A. Many of our shorts are in high technology. Three of our biggest are Ultratech Stepper, CDW Computer and Novellus. We believe that there is far too much capacity in all areas of high tech and that margin declines are in store for the entire industry. We believe that semicooductor-equipment makers like Ultratech and Novellus will be especially hard hit, as there will not need to be new capacity built for semiconductors for some time.

Q. Internet stocks, especially the search engines like Yahoo, Lycos and Excite, soared beyond all expectation and bave begun to descend. Is this just a little turbulence, or are they crashing and burning?

A. It's difficult to tell. These stocks will eventually crash and burn. We own put positions to limit our risk on Excite and amazoo.com. If this mania continues, these stocks are still too dangerous to short outright. The outlook for thich will be very, very painful.

All these companies is that they will fail

Q. Prudeot Bear lost 4.3 percent

All these companies is that they will fail

to live up to Wall Street's massive ex
see the Web site at www.prudentbear.com

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pectations. Amazon.com can sell a lot of books, but they can't make any money at it, oor do they expect to for some

Q. The hult market is a global phenomenon. Do you have any foreign sbort positions?

A. Yes, we are short the WEBS [World Equity Benchmark Securities] for Hong Kong and Spain, and we're short Telefonos de Mexico and the Mexico Fund. We're also short Lukoil Holdings, the largest Russian oil company, as a proxy for the Russian market.

Q. How do you time a short sale? Do you try to call a top or wait until a decline is under way?

A. We generally won't short a stock

that's still going straight up. We'll wait until we identify some topping action. We're interested in the stock starting to roll over and for the money flow to start to slow down. This could depend, bowever, on if we are aware of a specific catalyst that is close at hand.

Q. Do you trade S&P 500 index futures or only buy and sell individual securities?

A. We will occasionally use futures contracts to either get more short in the event that we have substantial fund inflows, and occasionally we might buy futures to reduce our net exposure to the market yet remain in individual short

Q. How do you know when to cover your positions?

A. We cover shorts when we believe

the risk/return profile has changed. We look at each stock every day, based on the current fundamentals and the current price and don't care so much if we are down or up in the position. If the momentum is going up a lot and we don't see anything that will change fundamentally in the near

term, we very well could cover. Q. Which trade are you more likely to close out, one with a 20 percent

profit or a 20 percent loss? A. The probability is more likely that we will close out a 20 percent loss, but not by much. We look at stocks independently of where we entered a position. A lot of shorts we would expect to fall more than 20 percent, but if we believe that sentiment has gotteo too

negative short term, we could cover. Q. Your fund's brief is to be short when the dividend yield on the S&P 500 is less than 3 percent and long when the yield is more than 6 percent. Can you imagine being long again in

your lifetime? A. I think it is very possible that we will return to 6 percent dividend yields again with the oext market decline. If not 6 percent, then at least 4.5 percent. It is hard to believe but a 6 percent dividend yield is very possible. The emotions for bolding stocks fluctuates. Now people love them; in the future they will

hate them.

By Aline Sullivan VEN THE MOST extreme contrarians need to relax.

Where better to huy a place in the sun than oo the ravaged Caribbean island of Montserrat? In the three years since the Soufriere Hills volcano rumhled to life there, three quarters of the British colooy's 11,000 residents have fled and 90 percent of its buildings have been aban-

Expatriate villas that cost from doned. \$300,000 to \$1.8 million in the early 1990s are available for 20 cents on the dollar, down from 50 cents on the

dollar just a few months ago.

Viewing the properties in this contrarian paradise can prove difficult, : however. Some are buried under as much as 20 feet (6 meters) of ash, according to Paula Dutcher, a partner at West Indies Real Estate Ltd. in

Plymooth, the capital, is a ghost Montserrat.

town; the hotels, golf course and tennis courts are all closed. More importing land. Britain has pledged to build a antly, insurers have stopped underwriting earthquake or volcano cov-. erage and banks have stopped

Montserrat: The Ultimate Investment Getaway

lending. Worse still, the vulcanologists continue to argue among themselves. Some think that another few months of calm - there has been no new volcanic activity for eight weeks - could signal that the worst is over. Others warn that volcanic activity might last

as loog as 50 years. An agent at the real-estate firm Montserrat Enterprises certainly sounded gloomy. "We have had no sales in the ex-

patriate market since the volcano became active," the agent said, "and i don't know when things are going to get better." Ms. Dutcher said she was confident

that real-estate values would sooo rise, bowever. Many of those who have fled, including many American, British and Canadian retirees, are keen to

ing land. Britain has pledged to build a new airport and to undertake extensive development in the oorth, where much of the expatriate community lives. But she acknowledges that the is-

land's woes have discouraged even the most courageous outside investors. "There has been plenty of interest from high-risk investors but few

sales," said Ms. Dutcher. "That's partly because about twothirds of the island has to be resurveyed before it can be sold," she added. "We have lost some land because gullies and ravines have been filled in. but we also have gained six new deltas with beaches."

Real estate does not get any more

pristine than that. Contrarians bored

with the relative calm of other resorts

should feel right at home. For further information: \* WEST INDIES REAL ESTATE LTD. Telephone: 1 664 491 8666. . MONTSERRAT ENTERPRISES LTD. Telephone: 1 664

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#### THE MONEY REPORT

# A Preferred Stock Revival, With an International Twist More Hybrid Shares Now Issued Outside U.S.

REFERRED STOCKS are enjoying renewed popularity beare higher than the interest payments are higher than the interest payments yond their traditional base in the United States, according to a recent study by Moody's Investors Service, as banks begin to use these securities to acquire the kind of capital favored under international rules.

The study also found that owners of highly rated issues had little likelihood of suffering missed payments, although riskier preferreds had a marked susceptibility to losses.

Sean Keenan, one of the authors of the study, noted that Nippon Credit Bank Ltd. and Long-Term Credit Bank of Japan Ltd. decided this year to sell preferred shares to the Japanese government, overcoming a loog-standing reluctance of the industry to offer these securities.

Mooey raised by selling qualified preferred stock counts as tier one capital, which is cash that must be sel aside

to support lending activities.

Preferred stocks are hybrid securities, with elements of equities and of debt.
Like bonds, they pay a stated interest
rate, usually fixed, and the owners rarely have any say in how the issuing company is run. But preferred shareholders rank below all classes of bood investors in a bankruptcy, which, Moody's said, is one of the riskiesi factors.

Additionally, failure to pay dividends does not trigger a bankruptcy, although missed payments can lead to board representation for preferred shareholders. Even so, a company has far strooger reasons oot to miss bond payments than 10 miss those due to preferred share-

Unlike bonds, preferred shares do not have a maturity date, but issuers often have the right to call them in, redeeming the securities at specified prices. Unless the preferred shares are coovertible into commoo stock, as some are, the bolders do oot benefit much if the issuing com-

What attracts investors to preferred

available on bonds, which are almost always cumulative, meaning if the issuer misses one, it must eventually make it up or it cannot pay dividends to its common shareholders.

These factors have made preferred shares popular with conservative iovestors, Mr. Keenan noted. But historically, the market has largely been limited to issuers in the United States, who, at the end of 1997, accounted for 908 of the 992 issuers of corporate preferred slock that Moody's has rated. British\_issuers followed, with 25 issuers. The study does not include preferred stock issued by mutual funds or

structured-finance vehicles.

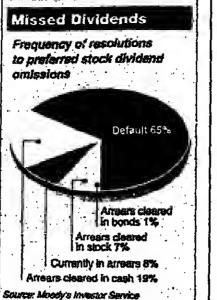
Before the 1980s, most preferred stocks were issued by utilioes and energy companies, but industrial and financial companies then began selling the securities. By the end of last year, financial companies accounted for 42 percent of the \$209 billion face value of outstanding preferred stocks.

Moody's rates preferred stocks on a scale that is similar to its bond ratings, although companies often have different grades for each kind of security. The preferred rating is usually, but not always, the same or lower than the rating of a company's senior unsecured

Holders of preferred stocks rated as investmeol grade by Moody's seem to have little to worry about. For those in the top two classes, "aaa" and "aa," there is virtually oo chance that the issuer will miss a dividend payment in the prospective 12-month period.

From Jan. 1, 1980 until the end of last year, there were 99 issuers that passed dividends or defaulted on one or more classes of their preferred stocks. On the day before the defaults, only one issuer, Johns Manville Corp., carried an investmeot-grade rating, and that was a lowly "baa2," which is not far above the funk level.

Based on the results of that period,



there is a 0 percent risk of dividend impairment on "ana" and "aa" issues, 0.05 percent for "a"-rated issues and 0.35 percent for "baa" issues, the lowest in the investment-grade category.

Below investment grade, the odds are considerably worse: "ba" issues bear a 2.62 percent impairment risk and shares rated "b" a 7.92 percent risk. Lowerrated issues already are in arrears or are likely to be so.

Not only do the low-rated preferreds have far higher risks of missed payments, but they stand a far greater chance of severe losses afterward. About two-thirds of the impaired issues eventually default, but some companies clear their arrears either in cash, which does not burt investors too much, or by issuing other securities. A year before dividend impairments that were cleared in cash, the average issuer had a "ba3" rading, while the average for defaulters

If a defaulted company declares bankruptcy, preferred shareholders can expect to recover very little of their investments because they rank below lenders. Senior bank lenders recover about 71 cents on the dollar owed, Moody's found, while senior unsecured bondholders are paid 51 cents and junior unsecured debtors get about 19 cents, Preferred stockholders recover about 10

International Herold Tribune

# To Win the Merger Game, Don't Play

For Investors, Odds of Cashing In on Corporate Takeover Mania Are Slim

the trillion-dollar mark this year for the rise by a factor of 10 in a decade or first time in history. In less than five so, months, a total of \$655 billion in U.S. acquisioons has been announced compared with \$917 million for all of last year, reports Securities Data Co. Lucky shareholders are reaping windfall

When Citicorp announced its deal with Travelers Group Inc. on April 6, the bank's stock shot up 26 percent in a single day. The acquisition

by Daimler-Benz AG of JAMES GLASSMAN ON INVESTING

Chrysler Corp., made public last week, sent the U.S. automaker's shares up 30 percent in just three days. The truth, bowever, is that picking prospective winners is not easy, and research shows that holding ooto the shares of merged companies is often a mistake. The best advice is not to play

the merger game.
Your odds of winning the merger lottery are remote," says David K. Schafer of the Strong Schafer Value Fund. "We look ar it as the icing oo the

In other words, a takeover of a stock you own is a pleasant surprise, oot an event you can anticipate.

"I never buy stocks with mergers in mind, 'said Jay Weinstein, a small-cap specialist who runs Oak Forest Investment Management Co. in Bethesda, Maryland. "But I find that if you buy stocks cheaply enough, they have a funny way of getting taken over."

Mr. Weinstein's most recent score came in February, when Insilco Corp., a prosaic industrial-components maker, was bought by a division of Donaldson. Lufkin & Jenrette Inc., for \$42.98 a share, a premium of 34 percent.

Takeovers can deprive enthusiasoc investors of the chance to ride a great little company into the stratosphere. One of my frieods recently complained after Luceot Technologies Inc. bought Sirower points out that "premiums out Yurie Systems Inc., a company that paid over the past 10 to 15 years are as

ERGER MANIA is makes sophisticated digital-switching much as five times the premiums paid sweeping Wall Street. equipment My friend tripled his during the 1960s and early '70s, when Want to cash in? It looks money with Yurie, but be wanted the acquisitions on average created value easy. Deals are headed for stock as a long-term holding that might

> Most recent takeovers have been shares, as a currency, seem more inflated than dollars.

So the big question if you own the the chief executives. stock of a takeover target is whether to keep your shares in the new combined best advice: sell (unless the tax con-

sequences are truly awful). Academic

research indicates that the merged

company is unlikely to outperform the

In his book, "The Synergy Trap,"
Mark L. Sirower of New York Uni-

versity ootes that "few, if any, cor-

porate decisions can change the value

of a company as quickly or dramat-

ically as a major acquisition."
Unfortunately, he adds, "creating shareholder value remains the most

In addition, if you own a stock, you

probably understand the company and

bought it for a good reason, but you are

likely to know little about the acquirer.

abound. Quaker Oats Inc. bought Snapple Beverage Co., the trendy fruit-juice maker, in 1994 for a lofty \$1.7

billion, then bad to unload it in 1997 for

tusi \$300 million. AT&T Corp. bought

NCR Corp. in 1991 for \$7.5 billion and proceeded to rack up losses of nearly \$4 billion before finally shedding it as a

separate company. Novell Inc., a com-

puter oetwork company, lost a stun-

price) on its 1994 buyout of Word-

Examples of disastrous buyouts

lusive outcome of this approach."

market as a wbole,

acquisitions on average created value for shareholders." Other reasons mergers go poorly in-

clude the acquirer's lack of knowledge about the company it is buying (shockstock swaps, which is no surprise, since ing, but often true), the absence of a strategic rationale for the purchase and the blinding lust for fame and power by

One study found that 44 percent of the companies that were acquired were company or to sell them for cash. The later sold off - and, in about half the cases, unhappily. In fact, many of the best opportunities can be

found in spin-offs, in which large companies break themselves up into more sharply defined parts.

Joe Comell, who specializes in spinoffs for High-Yield Analytics Inc., a Chicago research firm, said that his 'besi idea'' was Kansas City Southern Industries Inc., which has announced that it will spin off its financial sub-sidiaries this fall. It owns two mutualfund houses, Janus Capital Corp. and Berger Associates Inc., as well as a 41 perceot interest in DST Systems Inc., which provides computer-processing services to mutual funds, a booming

Mr. Comell figured that with its component parts sold separately, Kansas City Southern is worth about \$64 a share. He recommended it to institutional clients a few months ago at \$36; it is now \$45.

"This is pretty much a lay-up," he said, 'as the spin-off nears and the value of the company becomes more transparent.

Washington Post Service

For further information: • HIGH-YIELD ANALYTICS, Telephone: 1 312 922 0500; fax; 1 312 922 3112.

business.

ning \$700 million (half the purchase 181: 1312 922 3112.
• THE MONEY REPORT carried articles about spin-offs on May 10, 1997, and Dec. 20, 1997. Those articles are accessable on the laterior as www.jhc.com/ltf/MONEY
• STRONG SCHAFER VALUE FUND, Telephone: 1 414 359 1400, or, toll-free in the United States, 1 860 368 1030.

Perfect Corp.
One problem is that the acquiring company simply pays too much. Mr. 

# Paradise Lost? A Takeover Of Workers' Dream Factory

Owners Who Coddled Staff Sell U.S. Gasket-Maker

By Robert D. Hershey Jr.

With descendants of Albert Mecklenburfactory is a productive one, generations of families was Fel-Pro's special corporate cul-Fel-Pro Inc. workers have enjoyed some of ture of ocar womb-to-tomb beneficence. the lushest benefits in corporate America. Vacations as long as 12 weeks, scholar-

center, tutoring, an extra day's pay oo ooe's employment anniversary and birthday, profitsharing, generous grants to neighborhood groups in which workers volunteer. Illinois's first licensed day-care center, use of a 250acre corporate retreat. Not to mention solid health and pension

plans, an alluring pro-ocpotism policy that has meant that two-thirds of today's 1,900 beadquarters-plant employees bave had relatives on the payroll at one time or another and such gestures as a ham at Easter, a turkey at Christmas and candy for Valentine's Day. Sculpture gracing the plant is the work of the gasket-maker's one-time artist-in-residence. Any threat to job security for the supplier to the automotive industry, meanwhile, has been

largely eliminated hy a sizable temporary staff to cushioo periods of slack business. "They coddled and spoiled us," acknowledged David Beller, a white-haired tool-anddie maker with 20 years at Fel-Pro. "They were very generous to their employees.

But circumstances have suddenly changed, as Mr. Beller's use of the past tense hints. In mid-January, scarcely a month after the family owners announced that they intended to put the 80-year-old company up for sale, word came of a takeover by Federal-Mogul Corp., a gritty Michigan company four times Fel-Pro's size that not long before had been losing money as a result of a misguided strategic plan.

Not surprisingly, a large cloud has formed over this virtual workers' paradise as em-

ployees confront the inevitable unease and search for reassurance about their prospects under a traditional profit-maximizing regime.
"Everybody's nervous." said Lucy King, a

34-year old veteran of Fel-Pro's packaging operation. "We really doo't know what to expect. It's scary." Yet while nervousness is widespread - and

magnified by the jarringly quick dispatch of a oew culture for a big new global company. few dozen marketing, accounting and other support people to Federal-Mogul's headquarters in Southfield, Michigan, or to unemployment lines - Fel-Pro workers take comfort in the strong demand for gaskets that seems likely to keep the sleek, 1 million-square-foot (92,900-square-meter) factory humming in Skokie, Illinois, just north of Chicago.

They also point to various provisions of the \$720 million stock and cash deal that the selling Fel-Pro families negotiated with Federal-Mogul's chairman, Richard A. Snell. Uoder the agreement, various benefits are to be kept in place for specified periods while others will be replaced with those of its new parent. "Federal-Mogul has agreed to maintain all it's going to be inevitable." of Fel-Pro's benefits in the near term in their

current form," employees were told as they learned in mid-January of the takeover. Indeed. Mr. Snell said in a receot interview. "the first agenda item" in oegotiations with the selling Lehman. Weinberg and Morris Nevertheless, interviews with employees

here found considerable skepticism about ships, summer camp for their kids, a fitness how they would fare under Federal-Mogul, which at the same time is trying to digest its considerably larger acquisition of the British automotive supplier T&N PLC.

Generally, these workers seemed resigned to eventually losing most of the lesser fringes—the profit-sharing plan has already disappeared—while hoping for the best on such vital interests as medical and retirement plans and bolding oo to their jobs.

"You can never say with a big company like Federal-Mogul," said Frank Donis, a 26year-old worker in the paper unit whose mother, sister and an aunt all work or worked for Fel-Pro. "If things go down, the company's going to have to make adjustments."

One source of uneasiness is Mr. Snell's stated intention to build what he calls an 'allstar" team drawn from the best talent and practices in the entire company. This principle will govern any shrinkage of the workforce. which Federal-Mogul in late April estimated would be about 4,200 of its new worldwide total of 41,000, much of this by attrioon.

Sensing an opportunity, the United Anto Workers has already expressed an interest in organizing the Fel-Pro workforce, which until now has stoutly resisted union overtures.

It turns out that Kenneth Lehman, who served seven years in various Peace Corps posts before joining the family business and rising to co-chairman, will not join the Federal-Mogul board as intended when the deal was announced. The reason, according to Mr. Snell, is that board service could pose a conflict for Mr. Lehman as administrator of family trusts, possibly inhibiting, for example, the sale of Federal-Mogul shares because of his

status as company insider. "They've got a big challenge on their ates," Mr. Lehman said of Federal-Mogul plates," management the week after the deal closed in late February. "They will be trying to forge a

Sounding not entirely confident, Mr. Lehman added that if Federal-Mogul were coovinced that treating employees well improves the bottom line, "theo hopefully they'll use us as a model."

But that is not certain, judging by what typically occurs in such situations, said Jim Sillery, senior consultant at Watsoo Wyatt Worldwide, a Chicago management coosultancy.

"The culture of the acquirer tends to become dominant," he said. "Fel-Pro's benefits will begin to look a lot like Mogul's." He noted that agreements covering benefits are subject to interpretation, and added, 'I think

New York Times Service

## Steaming Ahead

BRIEFCASE

If you had bought cruiseline stocks in December, when analysts recommended them to The Money Report. yoo might have made eoough mooey to take a vacatioo oo ooe of their most luxurious ships by oow.

bean Cruises Ltd., have been Bostoo. soaring. Carnival, which was trading around \$52 in December, was at about \$70 on Friday. after announcing a stock split. As recently as four months ago, analysts were predicting a 12month high in the upper \$50s.

ticket prices and cost savings related to its purchase of Celebrity Cruises, a smaller line, boosted first-quarter net income to 88 cents a share, up from 58 cents a year earlier, beating analysts' estimates of 79 cents. The Miami-based cruise operator closed the week at \$69, compared with \$48 in early December.

"The fundamentals of the business continue to look very strong," said James Winchester of Lazard Freres, James one of several analysts maintaining buy ratings on both stocks. Noting that aging baby boomers are spending sizable sums on leisure, he added, Both companies are able to raise ticket prices and shipboard

spending is also going up. An unexpected boost to sales came from the "Titanic Although it is deeffect." has convinced even confirmed landlubbers to try shipboard 40 to 55 years old. life - and oo one, it seems, is worried about icebergs. (IHT) THE ARTICLE "Snow, Sea and Sum: Invest-ment Escapes for the Dog Days of Winter" from the Dec. 6, 1997 issue of The Money Report can be viewed on the International Har-ald Tribune's Web site as www.lbt.com/filt/ MONEY/120697/my120697c.html

#### **Shiny Quarter** At Women's Fund

For the first time since its inception, the Women's nity Act violations and that companies solely for their

ingstar Inc., the fund's first-turned 29 percent. quarter return of 15.59 perceot just slightly outdid the S&P rise of 15.08 percent.

The oo-load fund has had difficulties since it was created hy Linda Pei and Leslie Christian in October 1993. The sponsor, Pro-Conscience Fuods Inc., let go of its first money manager in May 1995 Caribbean where they cruise because, according to Ms. each winter, the stock prices of Pei, he was a "market timer." the two major cruise lines, Car- Since theo, the fund has been nival Corp. and Royal Carib- managed by U.S. Trust Co. of A bad first quarter in 1997

caused U.S. Trust to reorgan-ize the holdings, shedding most of the smaller companies in the portfolio. 'We basically increased

emphasis oo growth compa-At Royal Caribbean, the nies and increased our market story is equally rosy. Rising capitalization to emphasize large companies," said the new fund manager. Maria McCormack. Industries represented in

the fund include technology, pharmaceuticals, financial services and technology, with some of the larger holdings in companies such as BankBoston Corp., Schering-Plough Corp., Federal National Mortgage Association, Avon Products Inc. and Lucent Technologies Inc. With only \$7.25 million in

assets, the Women's Equity Fund is among the smallest U.S. mutual funds. Because it has not yet been able to afford a marketing campaign, Ms. Pei said, the fund's shareholder count has been kept to a modest 600. A recent survey of those investors revealed that the majority of respondents found the fund by word of cidedly short-term, cruise mouth. Ninery percent of the lines report that the hit movie sbareholders who responded were women and most were The fund invests only in

companies that satisfy a list of 10 criteria. For example, they must promote women to top executive positions, have a high percentage of womeo on the board, and use womenowned companies as vendors and service providers. Companies the fund avoids

are those that have patterns of Equal Employment Opportu-Equity Mutual Fund, the only ose sexist stereotypes in the U.S. manual fund that screens workplace or in advertising. Most socially responsible

policies toward women, has funds screen for gender dioutperformed the Standard & versity, including the four-Poor's 500-stock index, if star Domini Social Equity only by a smidgen. Bumping Fund, which gained about 36 itself up from a two-star to a percent for all of 1997, when

Cruise-Line Stocks three-star rating from Morn- the Women's Equity Fund re-For further information, con-

> DOMINI SOCIAL EQUITY, by fax at 212 252 2222 ce by referencine to the United States at DOMINI SOCIAL EQUIT, 1, 197 nat at a fact 325 222 or by telephone in the United States at 1 800 782 6814. The fund is open to non-humorize interesters but it does not have a direct phone number for oversens callers. It does have a web site, at www.domini.com and the numbing address is Domini Social Investments, Post Office Box 559, New York, N.Y. 10159. THE SOCIAL INVESTMENT FORUM, as industry group for socially responsible invest memer at www.sociatioves.org.
>
> «THE WOMEN'S EQUITY FUND, by phone at 1 415 547 9135, or, toll-free in the United Spates, at 1 800 385 7003. Its Web site is

Firms Favor U.S. For Relocation The United States was the

most frequent employee relocation destination in 1997, according to a report by the relocation coocern Ceodant Mobility, which cited an increasing tendency of multinationals to bring foreign na-tionals to the United States for training, technology transfer and development instead of sending Americans abroad.

bring foreign nationals to the United States for short-term assignments of six to 24 months. 'This bolsters the effectiveness of the organization as a global entity while simultaneously reducing reliance on U.S. expatriates to run overseas operations," ' said John Arcario, an executive of

U.S.-based multinationals

have increasingly chosen to

the Cendant Corp. unit. Britain and Singapore were the second- and third-mostpopular destinations, followed by Mexico, Hong Kong, China and Indonesia, which is expected to lose some of its attraction in 1998, Mr. Arcario said.

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'This year,' he said, may drop off significantly. As

while we expect to see a result of economic diffitransfer volume into Hoog culties in Asia, we might ex-Kong and China remain at pect to see more European curreot levels, Indooesia, as countries in the coming year perhaps a dramatic example, move into the top 10." (IHT)

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# Herald Eribune PORTS

#### Is Piazza a Marlin?

BASEBALL The Los Angeles Dodgers are on the verge of trading Mike Piazza to the Florida Marlins for Gary Sheffield, Bobby Bonilla and Charles Johnson in a sevenplayer swap, sources close to the team said Friday.

The only thing holding up the trade was Sheffield's approval, sources said, and there was no immediate word on when that might come. Sheffield, his agent and the Dodgers were expected to begin discussing the deal on Friday.

The Marlins were also to receive Todd Zeile, and the Dodgers would get Jim Eisenreich plus a player to be named, the sources said. In all, the salaries of the players involved total nearly \$1.10 millinn. (AP)

#### No Quest for Coronado

HORSE RACING Coronado's Quest, one of the favorites in the Preakness, was withdrawn Friday from the race after bruising his right hind foot.

Coronado's Quest was the third major horse to be taken out of the race to be run Saturday. On Tuesday, Halory Hunter broke an ankle and Indian Charlie withdrew after performing poorly in training.

Coronado's Quest hurt his foot while training in New York, a race spokesman said:

#### Seles's Father Dies at 64

TENNIS Karoly Seles, the father and coach of the teanis star Monica Seles, died Thursday in Sarasota, Florida, after a long bout with stornach cancer, her agent confirmed on Friday. He was 64 years old.

Seles, who returned home to Florida after her defeat at the Italian Open last week, was with her father when he died, according to her spokesman.

#### Webber Gets Shipped Out

BASKETBALL The Washingtoo Wizards traded a problem child for two veteran gentlemen, sending Chris Webber to the Sacrameoto Kings in exchange for Mitch Rich-

mood and Otis Thorpe.
"We gave up a tremendous young talent in Chris Webber—we got a tremendous, mature leadership-type individual in Mitch Richmond," said Washington's general manager, Wes Unseld. (AP)

# WORLD ROUNDUP Kournikova Conquers Hingis

The Associated Press

BERLIN — Anna Kournikova picked up the biggest victory of her career Friday at the German Open, stunning top-seeded Martina Hingis in two

hard-fought sets in the quarterfinals. Koumikova, whose spectacular game has led some to believe she could one day top the world rankings, let three match points slip away before ousting Hingis.

6-3, 7-6 (7-1), at the \$926,000 event. 'I've been praying this win would come," said Kournikova. "I'm just very, very happy.

Hingis, the world's top-ranked player, had knocked the 16-year-old Russian out of three of the past four Grand Slam events, losing just one set in their four

previous meetings.

Kournikova, still seeking her first title, will face Conchita Martinez in Saturday's semifinal, after the Spaniard

beat Japan's Ai Sugiyami, 6-3, 6-3.

Jana Novotna, the third-seed Czech, also advanced with a 6-3, 5-7, 6-3 tri-umph against Romania's Irina Spirlea. She will face 18-year-old French qualifier Amelie Mauresmo, who ousted Austria's Barbara Paulus, 6-4, 6-2.

Just one day earlier, Hingis dismissed talk that Kournikova was another emerging rival for her No. 1 status after the American Venus Williams, who has chalked up two victories against her.

"I know she can play, but she's never shown it against me," said Hingis, 17. 'She was always too nervous.'

Koumikova has risen from the world's 32d-ranked player to No. 16 this year, beating four top 10 players at the Lipton Championships to reach her first final. But the Russian's path to the top has often been blocked by Hingis.

"I didn't really think about who was on the other side of the net," said Kournikova. "I just played my game. I think she was surprised by that."

But, leading 5-2, 40-15 in the second

set, Konrnikova let all three match points slip away on errors. "She tried to kill the ball," Hingis said. "I tried to give it to her but she wouldn't take it." Kournikova rebounded to rout Hingis in the tiebreaker, ending a long rally by slamming a forehand deep into the corner

for a 2-0 lead, then never letting up.
"It's nothing to cry about," Hingis
said. "I'll be ready for the French

#### ■ Chang Crashes at Italian Open

A day after outshigging No. 1 Pete Sampras, Michael Chang failed to put up much of a fight against the unseeded Spaniard Albert Costa, losing in straight sets Friday in the Italian Open quarterfi-nals. The Associated Press reported from Rome.

Costa, who won the German Open clay event last week when his opponent in the final withdrew citing exhaustion, dictated the pace against Chang and won, 6-2, 6-1, in about an bour.

Costa set up an all-Spanish semifinal

against No. 12 seed Alberto Berasategui, who beat Brett Steven, 6-4, 6-2

Chang, the 15th seed, looked nothing like the player who beat Sampras at his own game in the third round. In that match, Chang banged serves and struck ground strokes with authority.

But against Costa, the American served poorly and was broken twice in the first set and three times in the second. Chang also was erratic from the baseline, repeatedly spraying shots long, wide or into the net. The loss dampens Chang's prospects

heading into the French Open later this month. It is the only Grand Slam played on clay, and the lone major title Chang has won, in 1989.

The reigning French Open champion. Gustavo Kuerten, tuned up for the defense of his only tour title by moving into the semifinals here with a 6-3, 6-4 victory over the Spanish qualifier Fernando Vicente.

Rain fell intermittently during the match, a strong contrast to the heat wave that gripped the Foro Italico from the start of the tournament. "Because of the rain, I tried to play simple tennis," said Kuerten, the eighth seed.

The Brazilian, nicknamed "Guga," reached his second semifinal of the season. At this time a year ago, Knerten was ranked 69th by the ATP and was playing in a challenger tour event. But his vic-tory at Roland Garros vaulted him up the rankings and he now stands ninth.



Kournikova celebrating her first victory over Hingis, in Rome on Friday.

# The NCAA's Business: Is It Education, or Lining Its Pockets?

OSTON - America's college sports system is envied around the world. Champions from other countries have benefited from it, in track and field and basketball especially.

From abroad, it may seem the essence of the American Dream that thousands of teenagers can receive a university education for free, as well as the chance to grow athletically at the highest level. The mind and the body are cultivated at the same time.

But the system is flawed - hopelessly so at its highest levels. This past week, the basketball coacb

Jim O'Brien sued his alma mater and former employer, Boston College, for \$185,000, which be claims he is owed on a coaching contract from two seasons ago. In the lawsuit be claims that the school sbowed "an apparent bias against African-American" athletes. At its core, the lawsuit is an argument

In America/IAN THOMSEN

over why the school denied admission to two teenage basketball players of questionable academic competence. In his lawsuit, O'Brien claims that the nniversity's director of admissions, John Mahoney, discredited the grades and test scores of both players because they came from poorly-rated high schools.

The complaint adds that Mahoney expressed reservations about the mother of one of the players who "appeared to have nasal problems that Mahoney suggested may be related to drug use.'

These are reckless and irresponsible charges," said Boston College's president, the Reverend William Leahy, of the lawsuit. He said that O'Brien's characterization of Mahoney was not true and added, "I am bere to tell you that Bostoo College is not a racist institution."

The charges of racism have created the

predictable bonfire of opinion in Boston, which was home to the school busing riots three decades ago. The larger issue raised by the lawsuit involves the bun-dreds of schools that attempt to play big-time college basketball or football — the big-money sports. Are these schools in the athletics business for the purpose of educating students? Or are they in it to

win trophies and make money? The university presidents would tell you that the question is not as simple as that. Indeed, the income from a relatively few nationally-televised football and basketball games pays the way for thousands of student athletes to compete and earn academic degrees. A successful football team encourages more donations from alumni, which can lead to new student dormitories and academic buildings.

"Boston College can have excellence in academics and athletics, and I'm committed to that," the college president said this week, He named Duke, Stanford, Notre Dame and Michigan as models.

Either the president was fooling him-self, or he was trying to fool his con-stituency. BC is not held in such high regard as Notre Dame or Stanford — the rare schools which are able to recruit great players who are also good students. Such student athletes can have their pick of virtually any university in the land, all tuition paid. If a college like BC wants to compete for the national championship, it is going to have to recruit athletes who are risks academically. Which is just, O'Brien says, what failed to do.

It comes down to this charade. The schools and the coaches make millions of dollars by recruiting teenage athletes who aren't entitled to a penny of this Sports Illustrated magazine.

income. Now that college sports has: become a billion-dollar industry, cracks are starting to appear in the NCAA's foundation.

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It is one thing for a coach to argue mivately or even publicly that his school should "look the other way" and admit athletes for the sake of their athleticism.

That kind of debate has been going on for years. It is another thing entirely, however, for a coach to file a lawsuit claiming that the school was incorrect in denying a scholarship, or even admission, to a student of questionable academic ability. Where one lawsuit goes, more are sure to follow, and you wonder just bow much longer the National Collegiate Athletic Association can keep filling its own pockets, denying money to the athletes and at the same time pretending they are students.

Ian Thomsen is a senior writer for

#### GREEN EGGS AND HAMLET By David J. Kahn and Hillary

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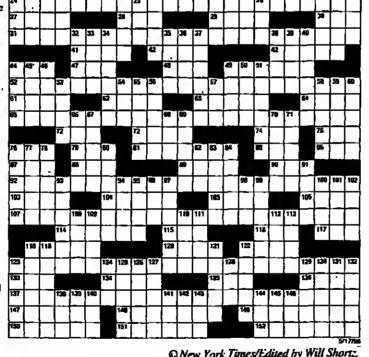
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New York Times/Edited by Will Shortz.

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# 'Superman' Hasek Leads Sabres' Sweep

By Ed Willes
New York Times Service

MONTREAL - Dominik Hasek, as his Buffalo Sabres teammate Dixon Ward asserts, may be as mortal as the next guy. But you couldn't prove it by the Montreal Canadiens.

"He's a human being," Ward says. "He just plays like Superman some

On Thursday night, Hasek sent the Canadiens bome for the season and propelled the Sabres into the National

NHL PLAYOFFS

Hockey League's Eastern Conference final with a 37-save performance in Buffalo's 3-1 victory at the Molson

The victory capped a four-game sweep for the Sabres, who have won

now face the winner of the Ottawa-Washington series, which Washington leads, three games to one.

The bottom line in this series was

written by one man, and his name was Hasek," the Montreal coach, Alain Vigncault, said. Over the four games, the Canadiens outshot Buffalo 158-119.

"Look at it this way," said Andy Moog, who started in goal for Montreal. "They had eight, 10 scoring chances. He faced 20 or 25. That was the theme of the series.

Hasek, who set the tone for the series with a 46-save performance in the Sabres' 3-2 overtime victory in Game 1. was beaten by Martin Rucinsky in the second period but swallowed everything else the Canadiens threw at him as

Montreal outshot Buffalo, 38-18. The Sabres converted one of their few

seven straight playoff games. The chances when Matthew Barnaby op-Sabres, who finished sixth in the East, ened the scoring. Buffalo got secondened the scoring. Buffalo got secondperiod goals from Donald Audette and

Miroslav Satan. Barnaby scored early in the first period after the Canadiens' Turner Stevenson took a minor penalty for slashing Hasek. Barnaby, who leads: the Sabres' playoff scorers with 10 points, converted Derek Plante's rebound for his fifth goal of the playoffs. He had five goals in the regular sea-

The Associated Press reported: Red Wings 5, Blues 2 The Detroit Red Wings are one game away from the estern Conference finals, and Sergein

Fedorov is leading them there. Fedorov had two goals and an assist in the third period on Thursday as the Red Wings pulled away for a 5-2 victory over the St. Louis Blues and a 3-1 series

# South Korean Rookie Shoots a 65 in LPGA Tourney

By Clifton Brown New York Times Service

WILMINGTON. Delaware — People who have watched Se Ri Pak play golf have been predicting a special performance.

Pak started playing golf in her native South Korea at age

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14, and by the time she was 17, Stacy and Susie Redman. she was regularly breaking par. She won 30 tournaments as an amateur, adding to her reputation. Then when she tied for low medalist at LPGA qualifying school in October. earning her card on her first attempt at age 20, Pak was touted as a potential star.

On Thursday, Pak looked like a player who can handle expectations. Shooting a 6-under-par 65, she held a onestroke lead over Lisa Walters after the first round of the Mc-Donald's LPGA Championship. Heather Daly-Donofrio, another rookie and women's golf coach at Yale, was in a five-way tie for third place at 68, with Dale Eggeling, that was still damp from re-Michelle McGann. Hollis cent rain. Pak birdied all three helped.

Pak's performance would have been impressive for anyone, but it was special to watch a rookie starting the second major of her career with such poise. She kept her composure despite being

paired with two Hall of Famers, JoAnne Carner and Nancy Lopez. After missing an easy 3-foot pun on No. 14 and making a bogey. Pak stayed cool and answered with a birdie at No. 16.

Powerfully built at 5 feet 6 inches, Pak is one of the LP-GA's longest hiners, and that length was a great asset Thursday on a challenging DuPont Country Club course

only one fairway. looking completely at ease on a course with which she was not familiar.

Because of the rain earlier this week, Pak played the front nine during only one practice round, and she had never played the back nine tect that from Thursday's round, which featured eight

birdies and just two bogeys. "I feel good," said Pak, who has been studying English for about a year. "I play golf in Korea, every time not easy. It's difficult here, many strong players. I'm



LIVE - Motorcycle World Championship The Italian Grand Prix tune in Sunday

11.00 (CET)

Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

02:1 00 1LA



**SPORTS** 

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LAHCK YERFIN  $\Box$ Now arrange the okoled letters to lorin the sorprise languar, as sug-gested by the above carsoon. DOBENY

JUMBLE.

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# No Homers for Braves, Just a Wealth of Runs

The Associated Press

The Atlanta Braves rallied for seven runs in the eighth inning for a 7-3 vic-tory over the Cardinals in St. Louis, but failed in their attempt to break the record for consecutive games with home runs.

The Braves' streak wound up at 25, matching the 1941 New York Yankees and the 1994 Detroit Tigers.

Mark McGwire his his 15th homer for

the Cardinals, one short of the major league lead.
With St. Louis ahead 3-0 on Thursday night, Juan Acevedo (1-1) gave up RBI

NL ROUNDUP

singles to Keith Lockhart and Andres Galarraga, and John Frascatore allowed Javy Lopez's two-ruo single, Andruw Jones' RBI single and Walı Weiss's two-run double.

Cubs 9, Rockies 7 Vinny Castilla went 5-for-6 with his major league-leading \$16th homer, but Henry Rodriguez hit his fourth career grand slam and Mark Grace had his third career two-homer game as the visiting Cubs won their fourth straight.

Kevin Tapani (5-2) won for the 12th time in 14 decisions despite giving up 13 hits in 5% innings, and Rod Beck pitched the ninth for his 12th save. John Thomson (2-4) lasted just 21/3 innings, allowing seven runs and nine hits.

Giants 6, Expos 1; Giants 2, Expos 0 In San Francisco, Danny Darwin (4-2) and Robb Nen combined on a four-hiner in the nightcap as San Francisco swept a the nightcap as San Francisco swept a doubleheader. The Expos were held to the ninth for his 13th save. one run and 10 hits over both games, a

day after reaching season highs in hits (15) and runs in a 9-5 victory over the Giants. Darwin won his third straight start, allowing three hits in eight innings, and Nen pitched a perfect ninth for his seventh save. Trey Moore (2-5) allowed both runs and six hits in seven innings

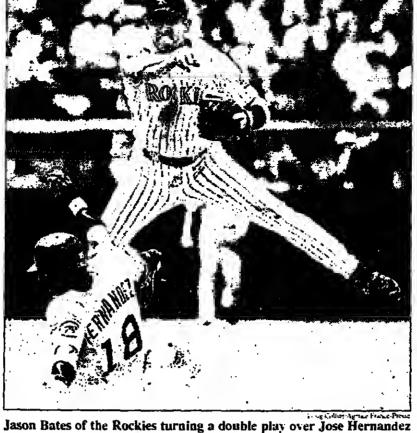
Barry Bonds hit a two-run, upperdeck homer off Dustin Hermanson (3-4) in the opener, and Shawn Estes (3-5) allowed one run and five hits in six innings. Julian Tavarez finished with one-his relief for his first career save.

Padres 3, Mets 1; Padres 6, Mets 2 ln San Diego, the Padres' Tony Gwynn hit a game-tying bloop single in the seventh inning of the opener, then broke a 2-2 tie in the second game with a three-run

homer in the seventh off Dennis Cook, who relieved Greg McMichael (1-1).

Dan Miceli (3-1) pitched the final three innings to win the second game. In the opener, Eddie Williams' pinchhit single in the eighth gave San Diego the lead. Brian Boehringer (4-1) was the winner, and Trevor Hoffman got three outs for his 11th save. Dennis Cook (2-2) was the loser.

Rods 11, Martins 8 Eddie Taubensee drove in three runs with a single, double and sacrifice fly, sending visiting Florida to its fifth consecutive loss. The Marlins juggled their lineup and did not start Gary Sheffield, Bobby Bonilla and Charles Johnson, Scon Winchester (2-1), a career minor league reliever making only his seventh professional start, won despite allowing six runs and eight Andy Larkin (2-3) was tagged for the injury-plagued Mark Portugal (2-0),



of the Cubs in Denver, where the Cubs won their fourth straight, 9-7.

eight runs and oine hits in four innings. Pirates 7, Astros 2 in Houston, Jose Silva (4-3) gave up one run and five hits in seven innings, stopping the Astros'

five-game winning streak. Lou Collier had three hits for the Pirates. Jermaine Allensworth scored three runs and had two hits, including his third homer. Pete Schourek (1-1) allowed four runs and eight hits in four innings. Phillies 4, Dodgers 0 In Los Angeles,

making his fifth start since 1996, took a perfect game into the sixth and wound up allowing just two hits in eight innings. Gregg Jetrenes homered, and Ruben

Amaro had a pinch-hit two-run double.

Philadelphia has won seven of eight. Diamondbacks 4, Brewers 1 Matt Williams broke an 0-for-26 slump with a tiehreaking two-run double off Cal Eldred (0-3) in the sixth. Andy Fox homered as host Arizona stopped an eight-game losing streak,

# Indians Batter Pitcher

#### Mussina Is Hit in the Face by a Line Drive

The Associated Press

one batter after Mike Mussina, Baltimore's star pitcher, had his nose broken by a line drive, and the Cleveland Indians snapped a six-game losing streak with a 5-4 victory over the Orioles in Baltimore.

Fryman's fifth homer came after Sandy Alomar's liner struck Mussina, who crumbled to the ground with a bloody gash above his right eyebrow. Mussina, who had retired eight straight hatters, lay motionless on the ground for two minutes as aid was administered. With an ice pack on his face, Mussina,

AL ROUNDUP

who never lost consciousness, was taken to a hospital, where X-rays revealed the break.

Alomar was credited with a single, and after Arthur Rhodes (2-2) replaced Mussina, Fryman homered to right-center. Had the Indians lost on Thursday night, it would have been their first

seveo-game losing streak in six years. Twins 2, Red Sox 1 In Minneapolis, Pat Meares hit a two-out single off John Wasdin (3-2) in the 12th inning, giving Minnesota its first three-game winning streak of the season. Boston has lost four

straight, a season high. Royals 10, Davil Rays 2 Johnny Damon his a grand slam and Tim Belcher (2-5) won for the first time since opening day as visiting Kansas City com-

pleted a two-game sweep.

Damon's second-inning homer off Dennis Springer (1-6), who loaded the bases with two walks and a hit hatter. gave him a total of six RBIs for the

Tigers 8, Athletics 3 In Detroit, Bobby Travis Fryman hit a two-run homer Higginson drove in four runs with a pair of two-run doubles as the Tigers rallied

from a 3-1, sixth-inning deficit.

Brian Hunter singled off Kenny Rogers (6-2) leading off the sixth, Joe Randa walked and Higginson hit a two-run. double to left-center. One out later, Damion Easley lined his eighth homer into the lower deck in left for a 5-3 lead. Blue Jays 5, Angels 4 In Toronto, Mike Stanley homered with two outs in

the ninth to win it for the Blue Jays. Anaheim had tied the game with two. runs in the 10p of the inning against Randy Myers (2-0) before Stanley hit. his sixth homer on a 3-2 pitch from Rich DeLucia (1-2), who relieved Mike: Holtz with two outs.

White Sox 5, Mariners 3 Greg Norton, facing Randy Johnson (3-2) for the first time, homered twice and drove in three runs. It was Johnson's first loss ever at Comiskey Park and just his third overall against Chicago in 17 starts.

Tom Fordham (1-0) got his first major-league victory, pitching a third of an inning after relieving Jason Bere in the

Rangers 7, Yankees 5 In New York. Rusty Greer drove in six runs, hitting a game-tying single in the ninth and a two-run homer in the 13th as Texas overcame a five-run deficit.

New York, which had been 11-1 arhome this season, led 5-0 in the eighth inning before the bullpeo faltered, allowing a three-run homer to Greer, who matched his career high for RBIs.

Hideki Irabu, making his first home start this season, allowed three hits in seveo scoreless innings, lowering his earned run average to 1.11 as the Yankees lost for the fourth time in 29 games.

men. World Championship, to June 1.

QOLF, Yoshiki, Japan — men. Ube Kosan
Open, to May 24: Fort Worth, Texas — men.
MosterCard Colonial, to May 24: Corning, New
York — women, Coming Classic, to May 24.

SOCIETY, trionally internationals; Czech
Republic vs. Paraguay; Belgium vs.
Paraguay.

FRIDAY, MAY 22

CRICKET. Chennal, India — Triongular-Series, Banglodesh vs. Kenya.

2015. Virginia Water, England — men-Volvo PGA Chemploreship. Ia May 25: Kasugai, Japan — wamen, Chukya TV Bridgeston, to May 24: Avandale, Pennsylvania — seniors, Bell Atlantic Classic, to May 24.

SATURDAY, MAY 23

AMERICAN FOOTBALL, NFL Europe Insterdam vs. Barcelona; Duessaldorf vs.

000 Gulaeas. RUGBY UNION, Pacific Rim Champlan

ship: Hong Kong vs. Jopan; Canada vs., United States. \$000EM, Intendity Internationals: Eng-land vs. Soudi Arabia; Ireknal vs. Mexico.

Bucharest, Romania — European Under-21 Championship, to May 31.

SUNDAY, MAY 24

ATHLETICS, San Jase, California — Bruce Jenner Classic; Prague Marather: Vi-ence Maratheri.

AMERICAN FOOTBALL, NFL Europe

#### SCOREBOARD

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20 19 19 21 16 22

CENTRAL DIVISION

25 14 .641 23 17 .575

AMERICAN LEAGUE

26 14 .650 23 18 .561 19 · 21 .475 17 .24 .415 9 .31 .225

Cincinnoti St. Louis Pittsburgh

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Small (7) and Hinch Keogle, Soger (5),
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W-Sagar, 1-0. L.—Rogers, 6-2,
HRs—Ookland, Grieve (4), Magadan 11).
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Torogre 612 410 461-5 13 1 265 — 415 4% 513 84 462 10% 421 12 C.Finley, P. Harris (7), Holtz (8), DeLucia (9) and Walbeck; W.Wallams, Quantill (8), Pissoc (8), Escober (8), Raylers (9) and K. LBrown, W.-RauMyers, 2-0, L.-DeLucko, 1-2, HRs-Anahelm, Velarde (2), Toronto, Stroller (8)

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(6), Mills (8), Drosco (8), A. Beniliez (9) and
Holles. Webster (9), W.—Nogy, 4-2.
L.—Rindest, 2-2, Sv—M. Jockson (11),
HRs.—Cleveland. Thome (7), Fryman (5).
Boltimore, Berdick (5).
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(9) and OBriest, W.—Forthum, 1-0. L.—R.
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D.Okver, Levine (6), Balles (8), X. Hernandez (9), Gunderson (10), D. Patterson (11), Wetteland (13) and L. Rodríguez; Irabu. Stantou (8), Netson (8), Lloyd (8), M. Rivera (9), W. Banks. (11) and Posada. W.—D. Patterson, 1—1, L.—W. Banks. 1—1. Sy—Wetteland (11). HRs.—Texas, Greer 2 (5). New York. Curits (4).

Hermanson, Bernett (2), Kline (5), Telfort (7) and Wildper, Estes, Tovarez (7), Mayne, W—Estes, 3-5, L—Hermanson, 3-4, 5v— Tovarez (1), HR—San Francisco, Bonda (10). reg, Verick (8); Morgon, Goordade faulty (9), Trombiev 122 and other W—Trombiev, 1-1. L—Wasdin, 1-8 oston, Others 110, 613—10 12 1 Bay 800 001 901—2 10 0

Second game

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Moore, M. Maddux (8) and M. Hubbart.
Widger (8): Danwin, Nan (9): Mhabell. W—

Darwin, 4-2. L—Moore, 2-5. SV—Nan (7).

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Topani, Mulholland (6), Pisciolita (6), B.
Patterson (6), T. Adoms (7), Beck (9) and
Servals: Thomson, B. M. Jones (3), Munaz
(4), DeJean (5), McElfay (6), Loskanic (7),
Dipata (9) and Manwaring, W.—Tapani, 5-2,
L.—Thomson, 3-4, 5v—Beck (12),
HRS—Chicago, Ma. Grace 2 (4), H. Radriguez
(9), Colorado, Castilla (16),
Pirist gama
New York 000 100 000—1 8 2
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Miletil Cook (7), Palos (8) and R. Wilkins:

Micki, Cook (7), Rojes (8) and R. Wilkins;
Ashin, Boohringer (8), Hoffman (7) and G.
Myers, W.—Bochringer, 4-1. L.—Cook, 2-2.
Sv.—Hoffman (1)),
Second game
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Son Drega

Bohanon, McMichoel (7), Cook (7),
Wendell (7), Hudek (8) and A.Cashila:
Hitchcock Micel (7) and C. Hernandez.
W—Miceli, 3-1. L—McMichoel, 3-1.
HRs.—New York, Huskey (3), San Diega.
Gwynn (6), G.Vaughn (11).
Horida 401 012 000—8 12 0
Girchadl 510 211 91x—11 17 3

Laridin, Stantier (5), Olata (6), Borrios (6), F. Heredia (8) and Zguru Winchester, Graves (6), G. White (6), Bediada (3), Shaw (7) and Taubenses, W—Winchester, 2-1, L.—Laridin, 2-3, 5v—Shaw (13).

Kendali: Schoutek Grzanich (5), T. Miller (6), Sconkon (9) and Eusebla, W-Silva, 4-3. L-Schoutek 1-1. HRs-Pittsburgh, Altersworth (3). Houston, Alou (9). Milineool, De Marfinez (6), Rocker (7), Cather (8), Ligtenberg (9) and J. Lopez Petkorsek, Accessed (8), Francother (8), C. King (8) and Pognazzi, W.—Rocker, 1-0, L.—Acryceta, 1-1, HR.—St. Louis, McGurire 100 000 000—1 4 7 100 003 000—4 6 0

Eldred, M. Myers (c), Woodall (7) and Mathemy Dool R. Springer (6), Oben (9) and Stingett, W. R. Springer (2-), Chen (9) and Structt, W. R. Springer, 2-2, L.—Eldred, 0-3. Sv—Olson (1), HR.—Arzona, A. Fox (2), Philodelphis boo 001 012—4 9 1 Los Augeles 600 000 000—6 2 0 Partugal, M. Letter (9) and Parent: Nomo. Bruske (9) and Plazas, W.—Partugal, 2-0. L.—Nome, 2-5. HR—Phillodelphia, Jofferies (2).

JAPANESE LEAGUES CENTRAL LEAGUE

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14 13 0 .519 2
15 15 0 .500 21;
15 16 21 0 .323 8 FRIDAY RESULTS CENTRAL LEAGUE

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NHL PLAYOFFS SECOND ROUND, BEST-OF-7

Barrine Montred 1st Period: B-Barriaby 5 (Plante, Shannon) (pp). 2d Period: B-Audette 4 (Boughner Montley) 3, B-Satun 4 (Audette, Hotzinger Stevensor (pp). 4 M-, Rucinsky 3 (Bureau, Stevenson) 3d Period: None. Shots en good: 8-6-6-6-18. M- 12-16-10-38. Goulles: B-Hasek. M-

1st Period: O-Shanahan 5 (Larionov, Mironov) (pp). 2d Period: O-Kocur 3 (Draper). 3 S.L., Compbell 6 (Demira, Rheoume) 4 S.L.-Turgeon 4 (Corroy, Macingis) 3d Period: D-Kozlov 3 (Holmstrom, Fedorov) 6, D-Fedorov 7 (Oraper) (sh). 7, Dedorov B (Yzerman, McCarty) (en), Shots or al:D-11-49-24.5.L-11-9-8-23. Goother Detroit lends series 3-1.

WORLD CHAMPIONSHIPS IN ZURICH, SUITZERLAND SEMIFMALS, METURN LEO and 2. Crach Republic 2

Finland vs. Sweden final on May 17.

#### CRICKET

WORCESTERSHIRE VS. S. AFRICA 3-DAY MATCH, SECOND DAY FRIDAY, IN WORCESTER, ENGLAND Africa: 287-4 declared and 107-2

IMDIA VS., RANGLADESH TRIANGULAR ONE DAY SERRES THURSDAY IN MOHALL, INDIA Idesh: 184-9 in 50 overs indic: 186-5 in 45.2 India won by five wickets.

RUGBYUNION

SUPER 12 Walkata Chiefs 21, New South Wales 33

SOCCER

CROATIAN CUP FINAL RETURN LEG .
Croatia Zagreb 2, Varleks Varazdin 1
Croatia won 3-1 on aggregate.

Orgryle 1, Helsingborg 1 FRENDLY INTEND

ITALIAM OPEN IN ROWE, ITALY

QUARTERFINALS

OUARTERIFINALS

Alberto Berasategul 172, Spoin, def. Brett
Steven, New Zeotand, 6-4, 6-2; Alberto Berosategul (12), Spoin, def. Brett Steven, New
Zeoland, 6-4, 6-2;
Gustrov Kuerten (8), Brazil, def. Fernando
Vicente, Spoin, 6-3, 6-4; Costa def, Michael
Chang 1151, U.S., 6-2, 6-1.

GERMAN OPEN FRIDAY IN BERLIN, GERMAN

QUARTERFINALS

Amelie Mauresmo, France, def. Barbara
pulys, Austria. 6-4, 6-2; Jana Novoma (3),
coch Republic, def. Irina Spirica (10), Ro-Czech Republic, def. Intal Spirico 1(0). Ro-mania, 6-3, 5-7, 6-3.

Anna Kournikava (16), Russia, def. Mar-fina Hingis (I), Switzedand, 6-3, 7-6 (7-1); Conchilo Martinez (7), Spain, def. Al Sug-lyana (16), Japan, 6-3, 6-3.

#### TRANSITIONS BASTRALL

BOSTON—Put SS Nomar Garcioparra on 15-day disabled list. Recolled LHP Ron Mahay TAMPA BAY-Purchased contract of 3B Scott McClain from Durham. IL. Designated

Scott McClain from Durham, IL. Designated RHP Dan Cartson for assignment.

NATIONAL LEAGUE
CINCINNATI—Recoiled RHP Danny Graves from Indianabolis. IL.

COLDEADO—ACTIVATED INF Jason Bartes from 15-day disabled list. Sent INF Nelson Liriano puridyn to Colorado Springs. PCL.
FLORIDA—PUT RHP Antonia Alfonseca on 15-day disabled list. Recoiled RHP Manuel Bartes from Chartette. II

saloy disabled the transfer from Charlotte, IL.
Hauston—Put 18 Jeff Bogwell an 15-day
isobled list. Recalled 18-OF Danyle Word. MILWAUKEE-Activated 18-OF Dave Nits-MILWAUKE—Activated TB-QF Days NRS-son from 15-day disabled list. ST. LOUIS—Optioned RHP Cliff Politie and C Eff Marrero to Memphis: PCL\_Recalled RHP Sean Lower and RHP Curits King from Mem-

POOTRALL NATIONAL FOOTBALL LEAGUE

3-year commun.

JACKSONVILLE—Agreed to terms with CB
Cordell Toylor QB Janathon Quinn; RB Toylor NB Janathon Quinn; RB Toylor NB Janathon Quinn; RB Toylor NB Janathon RB Kevin McLeod;

DE Lemanter Williams; FB Kevin McLeod; WR Alvis Whitted: LB Brundon Tolbert.

#### THE WEEK AHEAD

SATURDAY, MAY 16 AMERICAN FOOTBALL, NFL EURO

CALIF, Yoshina, Japan — men, Regional Champioushib, to May 17; Thame, England —men, Benson and Hedges Open, to May 17; Irving, Texas — men, Byron Nelson Classic, to May 17; Wilmington, Delaware — women, LPGA Championship, to May 17; Manakata,

ICE HOCKEY, Switzerland—World Pool A

tes Hockery, Switzerland—World Paol A champlonship, to May 17.

RINGEY UNION, Amsterdam, Netherland, Netherlands — women's rugby World Cup, to May 14. Super 12: Wellington vs, Auckland; ACT 14. Queensland; Coast Shorks vs. Carnterbury; Golden Cats vs. Wastern Province; Hong Kang — Pactis Rim Champlonship, Hong Kong vs. United Stress, \$000 ERR, Wembley, England — English F.A. Cup Fladt, irlendy International, United States vs. Maccedonia.

States vs. Macedonia.

States vs. Macedonia.

States, Takyo — Summer Grand Suma
Tournament in May 24.

Timenus, Rome — men, Italian Open, to
May 17: Berlin, Germany — women, German
Open, in May 17.

SUNDAY, MAY 17

AMERICAN FOOTBALL, NFL Europe; Scotland vs. England, MARKETBALL, SeaCouche, New Jersey
— NBA Draft latery. CRICKET, Hyderplad, India — Triangu-lar Series, Bangladesh vs. Kenya. MOTORECYCLE HADDRA, Mugelia, Italy— Italina Grand Pite. ATHLETICE, Kingston, Jamaica — Jamaica invitational.
, carcacet, Manchester, England — England vs. South Artica. 2d 1-day international.
evet.maa. England — Protour Cycling.
race, to May 21.
aalti, Frisco, Texas — women, Skins
Game, to May 24.
HORBE RACING., Dublin, Ireland — Irish,
1,000 Galineas. - Italian Grand Prix.

MONDAY, MAY 18 TEMBRES. Strasbourg. France — women. Strasbourg International. to May 23: Madrid. Spala — women. Villa de Madrid, to May 23: Dusseld. — Dusseldorf Germany — men, Tour World Team Championship, to May 24; St. Pollen, Austria — men, internationaler Raiffeisen Grand Prix, to May 24.

TUESDAY, MAY 19

WEDNESDAY, MAY 20

THURSDAY, MAY 21 CRICKEY, London England — England s. South Africa. 1st 1-day International. FIELD HOCKEY, Utrecht. Notherlands —



**PEANUTS** 

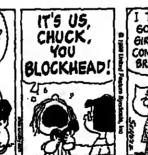


BEETLE BAILEY

I STAND

FOR GOD!







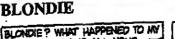








5-16





I STAND

FOR AMERICAL



I STAND FOR HONOR!



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#### CALVIN AND HOBBES









WIZARD of ID





#### NON SEQUITUR

OH LET'S JUST

ANY THAT I'M

DENLING WITH COME









#### DAVE BARRY

# Lost and Found, U.S.A.

MIAMI—I think I might know where the missile launcher is. I'm referring here to the \$1 million missile launcher that our armed forces have apparently misplaced, according to the recent audit of the U.S. government (motto: "We Have a Motto, but We Don't Know Where It Is").

You might have missed the news stories about this audit, which didn't get a whole lot of media attention because — as difficult as this is to believe — it had nothing to do with Paula

The background is, back in 1994 Congress decided that there should be a complete audit of the entire federal government. This seemed like a good idea, since the U.S. government which is the fourth-largest financial entity in the world behind Bill Gates, the Spice Girls and your electrician - had not been audited for (this is the truth) more than 200 years. The reason Congress did not get around to ordering an audit any sooner is

that it has been extremely busy with its primary functions, which are (1) spending money; (2) declaring National Cottage Cheese Appreciation Week and (3) authorizing the IRS to hammer taxpayers for

audit findings. inadequate record-keeping. The auditors spent thousands and thousands of hours at the U.S. Government Records Facility, which is a 1,400-foot-long shoe box containing an estimated 139 billion receipts and what are believed to be George Washington's original teeth. When the auditors were finally finished, they released a report that

contained a number of alarming findings, including these:

• It turns out that both "Lewis" and "Clark" were actually the same person, and he never got farther west than New

• Although according to the Constitution there are supposed to he nine members of the Supreme Court, a detailed search of the premises, including under all the desks, turned up

• In one three-month period, the Task Force on Reinventing the Government, headed by Vice President Gore, spent, without any formal authorization or supporting documentation, \$141 million on party hats.

Now I have some good news and some had news. The good news is, I made up the preceding audit findings. The had news is, the real audit findings are worse. I am NOT referring to the finding that the government has no idea what happened to billions and billions of dollars. That is totally understandable. When you are sucking in and spewing out money as fast as the federal government, you have to expect that here and there a hillion dollars is going to fall between the cracks.

I ber if federal employees took just a few minutes ont of their

The bad news is, the real findings

work schedules to look around, they'd quickly find a lot of this so-called "lost"

The good news is,

I made up the

money.
FIRST FEDERAL EMPLOYEE: O.K., I'll jnst are worse. check behind the cushions of this federal employee's lounge sofa bere and . . . Hey, here's some! Looks like a total

of, let me see, two, three, four . . . Wow! It's \$17 million! SECOND FEDERAL EMPLOYEE: So THAT'S what

So I'm confident that the money is around somewhere. What has me concerned is the auditors' finding that the federal government has also apparently lost track of some fairly large items, including — and I am not making these missing items up—a 11-million army missile launcher, two 14-million navy engines for fighter aircraft, two large navy tugboats costing 18275 000 and a \$1460 000 floating arms and a state of the show itself, be and his cohorts want to be a state of the show itself, be a state of the show itself, be and his cohorts want to be a state of the show itself, be a state \$875,000 each and a \$460,000 floating crane.

Now, in any organization you're going to have people stealing pens, paper clips, etc. But security has to be pretty damed lax for somebody to walk off with a "tugboat."

What concerns me is, what if we have a defense emergency and we need these missing items? Are we going to scare Saddam Hussein if our fighter pilots have to sit on the runway in engine-less planes and make fighter-plane noises with their mouths? Also, if the government doesn't know where its crane is, what ELSE doesn't it know?

For example, I was in Washington recently, and I walked past a huge building that said "Department of the Interior"; then a short while later I walked past ANOTHER huge
huilding that said "Department of the Interior." This has to
be a mist that. Why would we need TWO departments of the

51. Is in the midst of divorcing his wife of 28 years, Wanda.

Negotiations with Random House hroke down, a source told interior? We only have one interior! Unless we've lost THAT, too.

So I think the government should stop whatever else it's doing until it finds all this missing property. I think a good place to start looking would be my garage. So I say to the government: Come and get it! And while yon're here, please take these Supreme Court justices, because they're starting to smell.

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# Booze and Brawls, Sure, but Always the Voice

By Mike Zwerin International Herald Tribune

PARIS — On stage in a club in Atlantic City, New Jersey, Frank Sinatra was between songs, holding a glass of strong-colored liquid; a cigarette in the same hand and expensive perfume.

holding his hreath, just long enough for suspense, "is a drag."

At the same time, he had a reputation for being generous with his friends. This dichotomy reflected movie star or a singer? A pop or a

As a movie star, he seemed to that. leave a certain sense of realism to be desired. For example, as he lay dead or dying (or perhaps getting ready to rise up and belt out a bridge) on the railroad tracks at the end of "Von Ryan's Express," it is hard to

ignore the fantasy that his hairdress-er got there just before the SS. Maybe we should blame the di-rector for that, hut there was something to be desired any way you looked at it. In any case, the gift he will be remembered for long after the seasational unauthorized biographies are out of print is that it was all about listener of our lifetime.

Not many artists (probably not even one) have reached so many people on so many levels for so

many years with such quality.

Lester Young was the ultimate swing era saxophone player. He was a master spinner of melody who was

called "the Mozart of swing."
Pres was not someone who had should be added, the kind of musician who would ever have had the

hnsiness smarts to lead a hig band. Still, it meant something to a lot of people when Pres said that, if he ever led a big band, he would hire Billie Holiday and Frank Sinatra as

his female and male singers. Now this was a compliment that came from a highly respected place. was curling smoke. The room was It gives you some idea of the range full of smoking people wearing silk of Sinatra's appeal. As far as his technique is concerned, opera sing-"A friend in need," Sinatra said, ers have admired his famous breath control, which he learned from spying on Tommy Dorsey on stage from his seat behind the leader as the trombonist played melodies.

Dorsey sipped in breath from the his general schizophrenia. Was he a side of his mouthpiece without opening his mouth, and he could jazz singer? A hipster or a gang- extend phrases for many measures, ster? A sweet and generous guy or a as though he were circular breathing. Sinatra learned how to do

> In the 1956 Encyclopedia of Jazz, Sinatra was voted top male singer by 56 out of 120 musicians. black and white, of all styles and ages — among them Duke Elling-ton, Andre Previn. Benny Goodman, Naı King Cole, Miles Davis, Gerry Mulligan and Horace Silver.

There were very few white mu-sicians who could include "jazz" in their curricula vitae and not be questioned about the truth of it by hlack Americans, Sinatra was one, Stan Getz was another. Coincidentally or not, both of these gen-tlemen had difficult personalities. being mean. And then leaving you to figure out whether they were acting or not.

Gillespie was once asked by a journalist whether it was possible for a person with an ugly personality to make beautiful music. Gillespie went right in the journalist's face and said slowly, deliberately and loudly: "Stan ... Getz."

Sinatra and The Beatles had one patience with commercialism. He essential thing in common. They went all the way every time and he were both swamped hy hordes of judged everybody else on the same screaming adolescent girls. Differvalue system. He was also not, it entgenerations, but still. They were considered sexy.

But is it also possible, just a archition, commercial appeal or the remote possibility mind you, that natra's too, He also drank a lot and with booze, brawls and miscel-



ing, not looking. He was without They seemed to take pleasure in doubt the most talented male sing- being mean. And then leaving you

possible that this talent reached the innocence of youth first in its own weird way, and then we "mature" folk picked it up from there?

One way or another, they both went on to reach pretty much everybody. But even that further was not dissimilar. Both of them had . . . lei's just say outlaw qualities, as well as the ability to serve up sensitive and inventive

The Beatles were on drugs. Their groupie action was heavy - Si-

these screaming girls understood smoked cigarettes. None of them true talent before the rest of us? Is it were exactly interested in developing their pecs and working out and jogging. And just like Paul McCartney admitted that marijuana had something to do with the creativity of "Sgt. Pepper's Lonely Hearts Club Band," Julio Iglesias once claimed that Sinatra told him that's still very, very good. that smoking tobacco had a lot to do with the rich and funky quality of Sinatra's voice. In other words, can

it be that tobacco is good for you? Well, we won't take that seriously. Still, this story of exquisite interpretation of love songs is laced

laneous vulgarity. At the least, Sinatra's lifestyle can be described

as rude. This is not a new question. Benny Goodman was often tyrannical. When asked how he liked touring Russia with Benny Goodman, Zoot Sims replied, "When you play with Benny Goodman,

every gig is in Russia."

But this "tyrant" played fine clarinet and had a wonderful orchestra. Michael Brecker, the saxophonist who has played with demanding pop acts like Steely Dan and Paul Simon, says he was never as nervous in a studio as he was backing Sinatra. With Frank, you got it on the first take or it could get rough. You could be asked to leave. He was only applying his own rules to others. He made it on the first take, why not the hired

By the time he hit his 60s, some critics were saying he was losing his voice. Actually it was kind of aging, like fine wine. Whatever he lost in hreath control, he gained in emotional depth.

And as Gene Lees said about him in his book "Singers and the Song" 'For a very long time, Frank Sinatra turned the singing of the American song into an art form.

A four-disk box, "Frank Sinatra; The Reprise Collection," was released in 1990. The novelist William Kennedy, who wrote the alhum notes, had heard him in concert earlier that year. Sinatra was in his 70s, remember. "How can anybody be so good for that Kennedy asked.

long? "Kennedy asked.
"You listen and you know that this is not Frank in his best voice ever but it does not matter. It's his sound, his cadence, his tune, him, and it's as good as it can be and

You do not have to have Frank on video, or in a movie or on a TV show, or even invent conversation in person with this fellow who is a stranger. You really don't need these presences. All you need is the music the man has made and that has been with you all your life."

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#### **PEOPLE**

FTER weeks of unrelenting media hype and hysteria, the "Seinfeld" TV series finally ended, and its star, Jerry prison after being found guilty of indifference "to everything good and decent." Dressed in a double-breasted tuxedo, Seinfeld taped "Tonight" while most of America watched the last show. There he traded jokes with the host Jay Leno and joked that after nine seasons he was exhausted by comedy. "I feel like I need some kind of hreak from being funny," he said. "I have been funny every day for nine years and it is exhausting. I am amazed at what has been going on this past week. Can you imagine what it is like being me? I am sick of

'morihund marriage' so he can marry a 31-year-old New Jersey socialite, Alexandra Llewellyn, Wanda Clancy, 48, is aiming for what she calls a "fair share" of Clancy's wealth, and that has aroused the interest of the National Football League as it weighs whether Clancy has enough cash to help finance a hid for the Vikings. Wanda Clancy hasn't said exactly how much she wants of the estate, but her attorney said she wanted "more than he's been willing to part with."

The singer George Michael pleaded no contest to a lewd conduct charge in Los Angeles and was ordered to serve 81 hours of community service and undergo sexual counseling.
The plea-barrain agreement also harned the stager from the Beverly Hills park where he was arrested on April 7 in a men's restroom. In addition to the required community service, he will have the choice of 80 further hours of service or a \$910 fine.

A second member of the Spice Glris was reported to have become engaged. The Sun said Friday that "Scary Spice," Mel Brown, had joined fellow band member "Posh Spice," Victoria Adams, in announcing her engagement. The paper said Mel B was engaged to the band dancer Jimmy Gulzar.

Joe Klein has left Random House, the publisher of "Primary Colors," and signed a multibook deal with Dial and last month asked a judge to speed up the dissolution of his The Washington Post, when Klein wanted an advance for the second book that reflected the huge success of the first. Random House noted that Klein didn't officially write the first hook. Anonymous did.

> The film director Spike Lee, Vice President Al Gore and Jean Kennedy Smith, the U.S. ambassador to Ireland, have been awarded honorary degrees hy New York University.



Spike Lee receiving his honorary doctorate.



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